Investing in Wartime (Page 9)

THE FINANCIAL POST

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The Nation's Business

Billion Dollar Budget

Prime Minister King told Canadians on Sunday that the new air training programme would cost $48 millions between now and September, 1940.

The new programme is, of course, smaller than the vast project originally contemplated. The plan as announced at the week end is really a "Canadian" project with an Empire "front." Canada, rather than the Empire, will make the major contribution as to men, materials and money. If successful, it may, however, form the nucleus for a broader scheme at some future date.

Canada's share of the cost is in addition to the $315 millions estimate of a 12 month war chest made a few weeks ago by Hon. J. L. Ralston.

Added to this is a peacetime budget of $550 millions.

On top of it all is an unbudgeted deficit of perhaps $45 millions on account of the 1938-39 wheat crop.

The total of these items is not far short of a billion dollars—$1,000,000,000.

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Canada can never hope to finance such an outlay on a pay-as-you-go basis. Even to pay a reasonable amount of the new war expenditure will require much higher taxes than those imposed by Hon. J. L. Ilsley in September.

Such tax increases will be acceptable only if every branch of government does its part by eliminating waste, extravagance and unnecessary expenditure.

The costly drain of C. N. R. railway deficits and of sustained relief bills—despite rising employment and business activity—are but two major points of peacetime expenditure which the Government has done little or nothing to ameliorate.

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New Contract Needed For Plane Purchases

One of the first steps Canada will take under the new air training programme announced this week will be to purchase a considerable number of light aircraft from Canadian manufacturers. Heavy training equipment will be supplied by Great Britain, but Canada will need to buy flying equipment almost immediately in her part in making this country the air arsenal of Empire.

To spend this money wisely and efficiently will require a clean break with the past.

Last October The Post described the thoroughly unbusinesslike manner in which contracts for aircraft production had been let in Canada over the past two and a half years. Six of these contracts were shown to follow a similar pattern to the Bren contract for machine guns, that is they provided for payment of 10% profit on an enumerated series of costs, such as audit and legal fees, travelling expenses, executive salaries, taxes, etc. Moreover, they contained no "ceiling" for costs and no limit to aggregate profits.

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In the placing of contracts under the air training programme a new basis for contractual relations between the Government and the industry will have to be found.

Not only should the unbusinesslike contracts which flourished so generally when Hon. Ian Mackenzie was Minister of Defense be outlawed, but in addition to providing a "ceiling" to costs, some way should be found to permit the Government to share in whatever economies may be obtained from the large-scale production which may readily develop under the new training programme.

Not only taxpayers but the industry itself has a direct interest in seeing that this is done.

For Canadian aircraft companies to enter this new era of expansion and usefulness without a proper, businesslike relationship with the Government and the taxpayers who are paying the bills would be to open the way for incompetence and inefficiency of a type which is inexcusable whether in peace or war.

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War Charities Exemption Needs Revision

The Dominion Governnment may have made a mistake when it allowed a special exemption, up to 50% of a taxpayer's income, for donations to war charities. Certainly there were plenty of protests from continuing peacetime charities, which felt that their own vital work was just as important as the work of the patriotic organizations. They feared that the granting of a special exemption of 50% to war charities might prove disastrous to them by diverting charitable funds to war charities.

But having granted the special exemption—whether it was wise or unwise—Ottawa should administer it without favor. This definitely is not being done.

It was provided that the exemption would be granted to patriotic organizations approved for the pur-

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Big Air Scheme Seen As Largely Canadian

Britain's Connection Little More Than Nominal —Major Construction Programme Indicated— 800 Light Planes to be Ordered at Once

Scaled down from the gigantic enterprise mooted for months, the so-called "Empire" air training scheme announced this week emerges as very largely Canadian.

Though of less magnitude than long indicated at Ottawa, the air training plan involves a vast building and construction programme which will affect many communities and many lines of business.

Apart from providing an undisclosed number of advanced training machines and perhaps sending a few recruits here for advanced training and to serve as instructors, Britain has hardly more than a nominal connection with the scheme.

Australia and New Zealand are to send only a few of their men to Canada and only for advanced training.

The scheme was not worked out, according to reliable Ottawa commentators, without extended and at times spirited negotiations between the British and Canadian authorities.

Interviews given by Lord Riverdale, head of the British Air Mission, on his arrival in Canada indicated plans to train up to 25,000 pilots yearly. Canada was to finance the capital costs of the scheme (estimated variously at amounts up to $900 millions) and recover from the other Dominions an allowance for each pilot trained. Canadian financial authorities balked at this proposal, declaring, it is said, that Canada could not undertake so vast a burden if she was to make any other contribution to the war effort.

Plan to Compromise

Both the British and the Canadian attitudes had their loyal partisans at Ottawa. Members of Lord Riverdale's mission were criticized for doing too much "talking" in public in what was regarded as an effort to force the hands of the Canadian Government in accepting the original proposal. The Government, in turn, was criticized for failing to back up the scheme enthusiastically. In the end, the plan worked out seems to be a compromise.

To run until March 31, 1943, the scheme can be terminated or extended. While many important details have yet to be revealed before the full import of the scheme can be appraised, it is very evident that Canada is going to bear practically the whole cost; also that it will be months, perhaps years, before the scheme reaches maximum operation. Total estimated cost is $600 millions, of which Canada's share is officially set at $350 millions. The apparent disparity between these two statements has still to be cleared up by Ottawa.

Speed with which the plan is implemented will, it is believed, depend very largely on the course of the war.

Policy of the Canadian Government as avowed shortly after war was declared was that Canada's major contribution to this war should be in air force and many different kinds of war supplies. The air training scheme as finally revealed fortifies that early stand. But whether the project involves more men, money and airplanes than Canada would have been spending in independent prosecution of her war effort, it is not yet possible to determine.

Canada is buying apparently all elementary and some medium advanced training airplanes from Canadian plants. She will pay all the cost of these apart from modest portions absorbed by Australia and New Zealand as their share of joint costs.

Aircraft Companies Benefit

Contracts are expected to be given immediately for purchase of around 800 elementary craft. Fleet of Fort Erie, Ont., and De Havilland of Toronto are the firms expected to share the order. Both have been turning out machines of the required type and are understood to have a productive capacity of rather less than 10 machines a week each. Delivery, it is believed, is to be as rapid as possible, but to be completed by the spring of 1942.

Noorduyn Aircraft with a plant near Montreal has Canadian rights to manufacture the Harvard trainer for North American Aircraft of United States. This is an advanced training machine believed to cost between $25,000 and $35,000 and of the

(Continued on page 2, col. 1)

Highlights

Investment hedges against fluctuations resulting from either war factors or the possible advent of peace, are the chief objective of the "Investing in Wartime" contest entry published this week.
War-Peace Factors—p. 9.

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How remote is Canada from actual contact with the war and the possibility of long range bomber or aircraft carrier attacks? The situation is appraised, with particular reference to Canada's mines and related resources, in
How Vulnerable?—p. 13.

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Picturing Canada to herself and to the world, through the striking movie medium known as the documentary film, is the objective of the now active National Film Board. Scope of the programme and what it means is reported in detail by The Post's Ottawa correspondent.
Canada's Film Plans—p. 14.

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The "Home Front" series of articles, on the private organizations contributing auxiliary service to Canada's war effort, is continued with a review of the work of a body important both in peace and war.
The Salvation Army—p. 3.

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General Index on p. 2.

Canada at War

How Vulnerable Are Mines?—p. 13
Investing in Wartime—p. 9
Salvation Army—p. 3

Can. Wineries Business Gains

New Lachine Plant Gives Company Better Position in Important Quebec Market

Canadian Wineries, Ltd., reports that business has been improving steadily over recent years and that this trend has continued for the current year which began April 30, 1939. As evidence of this favorable trend, company officials point to the 40 cents a share paid in dividends so far this year, a new record since the 50-cent annual rate was abandoned in 1931.

This year the company has completed a new plant for storing and finishing wines at Lachine, Que. This first venture into Quebec cost about $50,000 for the building and $20,000 for equipment. Cost has been paid out of the company's cash resources. Working capital was $678,828 at April 30, 1939, of which $144,472 was cash.

Canadian Wineries obtained a higher than usual yield from the 1939 grape crop in the Niagara district. Although tonnage harvested was slightly below that of a year ago, the yield and quality of wine was higher. The bright, dry fall resulted in a better sugar content in the grapes.

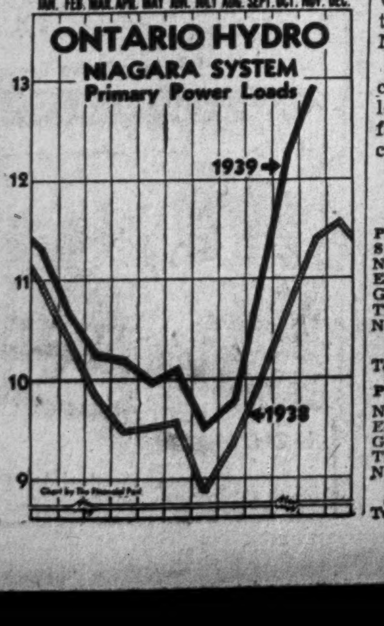
The company has introduced a new brand, "Private Stock" sherry, and reports excellent reception. This brand is a matured sherry which sells in the price range of the better grades of domestic wines.

As was the case with all manufacturers of alcoholic beverages after the outbreak of war and the imposition of higher taxes, Canadian wine makers made some increases in retail prices for their products.

Power Load in Ontario Continues Upward Trend

Power load of the Ontario Hydro-Electric Commission continues to climb.

Primary load on the Niagara System last month rose 12.9% above November, 1938, which is generally interpreted as indicating the better pace of industrial activity.



All systems showed a primary increase of 11.9%, while the primary and secondary load of all systems was up 5%. In the Niagara system this class of power increased 5.3% in November.

Following are the primary and combined primary and secondary loads on a 20-minute peak load basis for November of the current year, compared with November last year.

Ontario Hydro-Electric Commission
Summary of Loads

Primary Loads: System:	1939 Nov.	1938 Nov.	% Incr.
Niagara	1,290,214	1,143,164	+12.9
Eastern Ont. .	139,228	131,066	+6.2
Georgian Bay .	37,009	32,956	+12.3
Thunder Bay .	97,768	90,107	+8.5
Northern Ont.	173,928	155,729	+11.7
Total	1,738,147	1,553,022	+11.9
Primary and Secondary Loads:			
Niagara	1,481,769	1,407,239	+5.3
Eastern Ont. .	168,638	161,414	+4.5
Georgian Bay .	37,009	32,956	+12.3
Thunder Bay .	118,794	134,008	—11.4
Northern Ont.	240,684	213,370	+12.8
Total	2,046,894	1,948,987	+5.0

CHRISTMAS TRADE BOOMS—

Survey of retail sales for the current Christmas season reveals a generally brighter trend. Some types of retailers report sales hitting new peaks. Others report that the last day or two before Christmas will tell the story.

Outstanding are the variety chains. Here business is up around 10% over the same period a year ago and that period was a new record for this type of store in Canada. Food chains report that sales are higher already and that the final day or two before Christmas will give the final answer. Much of the Christmas shopping for food is done at a late hour.

Shoe stores report that sales of some lines are higher but that unusually mild and dry weather has been against average sales of rubbers and winter footwear. The apparent danger in this line is that, if the smaller retailers do not succeed in reducing their inventories soon, they may resort to price cutting.

Cigar store chains report clear signs of better business this year. Here also it is the business done in the last couple of days prior to Christmas that counts. In women's wear stores, business is reported a little ahead of the 1938 season.

$50 Million Bacon Deal May Involve Farm Control

From Our Own Correspondent

OTTAWA.—With the appointment of the Dominion marketing board to administer the Anglo-Canadian contract covering shipment of 4,480,000 pounds of bacon to Britain weekly, Ottawa has come to grips with the first major war supply administrative problem. An annual trade of close to $50 millions is involved.

The chairman of the board is to be Hon. J. G. Taggart, minister of agriculture for Saskatchewan.

There is, as well, the advisory council of the board. This council is drawn from every section of the country. Its job will not be administrative.

Has Full Power

The new board is appointed under the War Measures Act and, therefore, will have supreme power to deal with the industry in all its phases. The War Measures Act arms the board with the full powers of Parliament in wartime. Every order of the board has the authority, in law, of a statute of Parliament.

The board is faced, at the outset, with an administrative problem which fairly bristles with difficulties. The contract between the British and Canadian Governments calls for shipments of 4,480,000 pounds of bacon per week from now until Oct. 31, 1940. Shipments up to 5.6 million pounds weekly will be accepted by Britain. The contract price is $20.18 per 112 pounds f.o.b. the point of shipment to Britain. It is equivalent to about 9 cents per lb. live weight for hogs.

Face Complex Problem

Apart from a few major decisions, the complex problems presented to the board have not yet been tackled. It is fully realized that this agreement is big business. The contract means that $807,200 per week will be paid by Britain to Canada for pork products—almost 42 millions per year. And, possibly, this total will be boosted to $50 millions annually. There seems little doubt at Ottawa that Canada will be able to fill the contract and in all probability attain the limit of exports fixed under it. We have the largest hog population in our history and it continues to rise.

The difficulties, however, are obvious. It is the present intention to ship bacon under this contract on behalf of the board. The money paid by Britain, therefore, will be paid to the board and will be administered from Ottawa.

About one half the hogs which are killed in Canada each year never go to market. They are killed by farmers for their own use or are killed by butchers in small towns and villages for local consumption. Any major increase in market prices, however, might bring a great increase in deliveries to markets.

The bulk of the local killings are in Quebec and Ontario. Thus while the central provinces are the greatest hog producers, they do not produce the greatest export surplus. This is done by the Prairie Provinces.

The other four provinces—British Columbia and the Maritimes—are not a factor. They either just about fill their own needs or they are importers.

The problem of the board is to translate the price of $20.18 back to the producers of Quebec, Ontario and the Prairie Provinces and to determine the processing charges of the packers.

It is thought inevitable that whatever price the board fixes will, like wheat, be fixed at an eastern point, possibly seaboard, and that rail and shipping charges, both in hogs and in processed pork, will be deducted from it. This is deemed the fairest method of procedure for several reasons. Whereas the producers of the central provinces will net a higher return on their hogs than will the western producers, they are at a disadvantage in terms of feed. They import large quantities of feed from the West and pay transportation charges on it.

Packers' Spread

The spread of the packers will be difficult to adjust for the reason that there are some score of small firms who cannot operate on as narrow a margin as the big companies. If the board decreed a spread which would be barely profitable to the big companies, the little ones might go bankrupt. The spread, therefore, will be sufficiently generous to retain in operation all the plants deemed to be efficient. The big companies may do fairly well but no alternative is thought possible. There is no intention of putting the small man out of business and it is believed it would not be in the interests of the producers to do so.

Imports from the United States may present a difficulty. There is a

(Continued on page 11)

Coin Shortage Hits Business

Special Factors Aggravate Usual Christmas Demand For Small Change

Canadian business has been much inconvenienced by a current shortage of copper coins. In extreme cases firms have had to use postage stamps in making change. There has also been some shortage of nickels and dimes.

Neither the chartered banks nor the Bank of Canada were able to meet the demand, although the Mint was working night and day. Some merchants brought in large shipments of coppers from the United States, though in most instances it has not been necessary to use these.

This year when United States money went to a premium of 10% over Canadian, American coins were withdrawn from circulation and shipped across the border to take advantage of the exchange. This meant that about 80% of the normal volume of subsidiary coinage was left in circulation.

Extra Coins Minted

To meet the heavy demand for additional coins, the Mint in the past several weeks has boosted its output to 3 million coins weekly, or four times normal volume, This produced a large supplement for coinage in circulation which, at the end of November, was at the highest level on record. At that time cumulative amount of coinage issued by the Mint, less withdrawals, was reported as $31.9 millions of silver coins, $3.2 millions nickel, and $3.2 millions copper. At the end of 1935, comparable totals were $27.3 millions, $2.4 millions, and $2.8 millions.

In addition to the export of United States currency and the Christmas shopping demand, other factors contributing to the shortage of coins have included the large crop movement, payment of military forces, and rising business activity. Despite these special factors which aggravated the usual seasonal demand for subsidiary coins, it is anticipated that normal conditions if not a surplus of coins will prevail after the holiday season.

Revive Red Auxiliary To Aid Peace Drive

Red sources of pacifist agitation are further exposed by recent revival of the Communist "false face" organization, the Canadian Labor Defense League.

Investigation by The Post of the "Witness Against the War" statement of a number of United Church clerics showed it was inspired by Red influence to a large degree. This was exerted through the radical-pacifist Fellowship of Reconciliation, of which the chief sponsors of the "Witness" and many signers are members.

Red inspiration of the revived Labor Defense League is much more direct and apparent.. Allowed to become more or less inactive during the past three years, the League functioned for many years and is again operating as a directly controlled auxiliary of the Communist Party of Canada.

"Trojan Horse" Group

As in its previous activity, the League is acting as an ostensibly non-Communist body to win support for Communist interests among both Red sympathizers, and "fellow travellers" of the Red "united front." In addition, of course, it strives to rope in those with well-intentioned zeal for democratic ideals, but failing to realize they further Red aims in support of "Trojan horse" bodies like the Labor Defense League.

As before, the particular and practical purpose of the Canadian Labor Defense League is to raise funds and create sympathetic support for "defense of democratic rights." Basically, it is a key unit in the group of organizations used by the Communists to whip up support for Red policies in non-Communist quarters.

Unlike some such organizations which have no apparent connection with the Communist Party or whose officers appear to be non-Communists, the League has always been directed by known leaders among Canadian Communists. The national sec-

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Coming In The Post

Next year promises to be a notable one for Canada. Changes are expected in every line. What will they mean to the stock and bond markets, mining, business and government? The Post is interviewing business and industrial leaders right across the Dominion. Their views will be presented in a national survey next week.

Because of more recent developments in the Canadian power situation this feature, originally scheduled for this week, is being held for a later issue of The Post.

Limit Tax Exemptions On Gifts to Charity

Deductions Up to 50% of Net Taxable Income Allowed By Cautious Government For Only Two War Work Organizations

Generous citizens who have been contributing up to 50% of their incomes to various war charities, under the impression that they would receive a special wartime income tax exemption, are due to be rudely awakened.

The Secretary of State has admitted only two organizations to receive the benefit of the special 50% exemption—the Canadian Red Cross Society (which included the St. John Ambulance Association in its appeal for funds), and the Y. M. C. A. national war fund.

Other patriotic and war organizations are apparently to be left out of the 50% exemption. Contributions to their funds will be benefitted to the extent of the usual 10% of a man's income.

The decision of Ottawa has come as a shock to many organizations formed to do special war work.

Special Amendment

The special amendment, passed on Sept. 12 last, provided that before calculating his income tax the taxpayer could deduct donations of not more than 50% of his net taxable income, which he had paid to any patriotic organization or institution in Canada "which hereafter receives the written approval of the Secretary of State." There was no discussion on the clause either in the Commons or the Senate.

The general expectation throughout the country was that any war charity, organized as such and receiving registration under the War Charities Act, would be nominated also by the Secretary of State as one whose money-raising efforts would be facilitated by allowance of the 50% income tax exemption.

That is not to be.

Protests Made

No sooner was the new Act on the statute books than the Government was inundated with protests from existing peacetime charities and community funds. Their work, they affirmed, was just as important in wartime, just as important in the war effort, as the work of the war charities. If a citizen could obtain exemption up to 50% of his income for gifts to war charities and only up to 10% on other charities, then wealthy men would give their money to the Red Cross and other war charities. The peacetime philanthropies would suffer, they argued.

Ottawa found that war charities were being organized on a local basis in all parts of Canada. Various groups of public-spirited citizens raised regimental funds for units proceeding overseas. They set up in co-operation with the military authorities such bodies as the Citizens Committee for Troops in Training, which in Toronto has taken over the entire burden of recreation, education and entertainment for troops. In addition it is providing furniture and other comforts for men who found themselves provided by the military authorities with only the bare necessities and not always with those.

Other groups formed organizations such as civilian auxiliaries for hospitals, both for those looking after sick soldiers in training and those set up to care for the wounded overseas.

Revenue Loss Feared

Apparently the income tax authorities began to wonder what would be the effect on government revenues if contributions made to all such funds were exempted from income tax. While there has been no public statement on the matter, it is understood that revenue considerations may have entered in the Government's decision to grant income tax exemption only to contributions made to organizations set up on a national scale.

Ottawa's stand on the matter will have an important effect, too, on the application of succession duties. The Ontario Government in September granted exemption from death taxes on contributions made to patriotic organizations receiving the approval of the Secretary of State at Ottawa.

Saving to Taxpayers

Strong protests have gone forward to Ottawa from citizens connected with patriotic organizations set up for war work. It is pointed out that many of these bodies are doing work which might properly be regarded as a function of the Government, but which the Government for one reason or other has decided not to do itself.

Thus the taxpayer is being saved a good deal of money by these patriotic institutions just as the taxpayer is saved money when the Red Cross Society rather than the Department of National Defense buys an ambulance for a military hospital.

The argument of the citizens doing war work is that whatever revenue the Government may lose in income tax is made up several times over by the savings in government war expenditures.

Ottawa Ignores Appeals

To all such appeals Ottawa has so far turned a deaf ear. It has laid down the principle that exemption will be granted only to organizations which are of national concern, which are national in scope and in which all the money raised goes directly for the aid of the troops. Local charitable organizations will not be regarded as eligible.

Nor is there any indication that Ottawa is likely to deviate from its stand. It is even suggested unofficially that rather than admit what it calls "local" war charities to the 50% exemption the Government might repeal entirely the clause granting this special exemption.

Exchange Body Eases Rules

New Regulation Broadens Investment Opportunities In Outside Markets

Greater leeway in security transactions outside Canada is permitted under new rules of the Foreign Exchange Control Board.

A minimum of restriction consistent with the needs of exchange control has, of course, from the very first been imposed on non-resident investors in securities in Canada.

Since the first non-resident investors who held securities in Canada prior to Sept. 15, have been able to obtain a license to export them from the Dominion. Non-residents who wished to purchase Canadian or foreign securities in Canada subsequent to Exchange Control inauguration have been able to do so with the exception that the foreign securities purchased in the Dominion had to be paid for in foreign exchange.

To Increase Trading

The new ruling of the Control Board is expected to increase the trading of Canadians in U. S. stock markets considerably. The bond market is likely to feel most of the effect at present as Canadians will probably tend to switch into longer term Canadian obligations.

Stocks and bonds purchased by Canadians in U. S. markets after Sept. 15 may now, under the new ruling, be exported at will, provided they are exchanged for other stocks and bonds of similar character.

Formerly, the Canadian could carry on switches to the extent of his position at the time the Exchange Control came into operation, but having carried out the switch and brought the resultant securities into Canada, he could not again export these securities for a second switching operation. Neither could he use stocks owned Sept. 15 for the purpose of switching to a Canadian security on the New York market.

Must Be Approved

Under the new rulings, the Board must approve the proposed switch in advance. The securities switched must be into the same kind, e.g., Dominion Government bond for Dominion Government bond, one class of mining stock for another of the same class of mining stock, etc.

Value of the securities to be exported must be equal to or greater than the securities to be imported, and any foreign exchange accruing from the switch must be sold to the Board.

The physical import and export of the securities must be made by an authorized dealer.

In the case of bonds and debentures, the maturity of the security to be exported must be as long or longer than that of the security imported, unless the maturity in both cases is longer than 10 years.

Dominion Tar Profit Higher

Trend of Operations Has Been Contra-Seasonal — Outlook is Favorable

From Our Own Correspondent

MONTREAL. — Dominion Tar & Chemical Co. will report higher earnings for the current year than in 1938, but it is not expected the 1937 level will be attained.

Per share earnings on the common stock will be somewhere between the 55 cents a share shown in 1938 and the 87 cents a share reported in 1937.

The proximity of earnings to the 1937 level will depend on results for the current month. The company has a substantial volume of orders on hand. If the shipments are made before the end of the month they will be billed in the current year. If not, they will be carried over into 1940.

Contra-seasonal Trend

Business of the company is at present running contra-seasonally. Usually business slackens off in the latter part of the year and some of the company's plants are closed. This year there has been no seasonal drop in business and all the company's plants are operating.

The showing of the company in recent months has reversed the trend of the early part of the year. Up to the end of June earnings and sales were below the same period of 1938. However, the increase in the last half of the year has been considerably in excess of the drop in the first six months.

All departments of the company's activities have contributed to the improvement. The creosoting plants have been busier. Operations of Alexander Murray & Co., a wholly owned subsidiary which distributes building materials and roofings, have been materially better, reflect-

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It's Not Too Late For Us To Choose Suitable Gifts For One Or ALL On Your Christmas List.

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Just reach for the phone . . . dial TR. 5111 . . . ask for EATON'S Shopping Service, tell them how much you want to spend and how many there are to give to. Men! Women! We'll select the smartest gifts that experts of years can pick! And gift wrap them too! Enclose cards, even, if you say so.

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PHONE TR. 5111 AND ASK FOR EATON'S SHOPPING SERVICE.

T. EATON Co LIMITED

Air Scheme Seen as Largely Canadian

(Continued from page 1)

class to be bought by Canada—not Britain.

Well-sourced report has it that the Canadian company will get an order for about 100 machines while the American firm will make 600.

Scheme is Modified

It now seems established that the scale of the training project is not going to be so great or grow so rapidly that the now limited capacity of Canadian airplane plants is going to demand immediate expansion.

"Practically all air recruits in the United Kingdom will be trained at home," Prime Minister Mackenzie King stated in his broadcast. In Australia and New Zealand all air recruits will receive their initial and elementary flying training at home."

Piecing together the Prime Minister's somewhat baffling exposition, one finds a further statement:

> "Most of the Australian and some of the New Zealand pupils will also receive advanced training in their own countries.
>
> "Under the agreement, about one fifth of the pupils to receive advanced training in Canada will come from the other two Dominions."

The very definite implication is that Canada is starting up a major air training scheme for Canadians, to which will come only a few Australians and New Zealanders for "finishing school."

Canada Pays Most

Certainly, Canada is bearing most of the cost. The Dominion pays for the construction and equipping of the 67 airfields Mr. King mentioned, for preliminary and medium training machines.

Australians and New Zealanders are to pay on a pro rata basis, according to the extent to which they use the facilities created. As to how much this will be, no suggestion has been revealed.

The Avro Ansons and Fairey bombers which Britain is reported planning to supply the scheme are in less than $50,000 class. Mr. King stated that "up to the beginning of next September, the expenditure on the joint training programme will amount to $90 millions of which Canada's share will be about $48 millions."

$42 Millions Unexplained

Where the other $42 millions comes into the picture, the Prime Minister leaves no hint.

What the total figure of $600 millions referred to represents is by no means clear. Mr. King said, "Excluding the cost of the aircraft provided by the United Kingdom, Canada will bear the cost of the initial and elementary training in Canada, and about four fifths of the remaining costs of the programme."

This would appear to account for a very large proportion of the total cost which Mr. King says will be some $350 millions for Canada.

Detailed information regarding the 60 "new" airfields that are to be built is not yet forthcoming. Ever since the scheme was first mentioned, thousands of communities across Canada have been prodding their local members to "get one for us." It is known that some surveys of new fields have been made. But presumably a great deal of politics will have to be worked out before the final and complete list is announced.

It is stated in well-informed quarters, however, that the present intention is to exploit to the full the constructive possibilities of the plan for the ultimate benefit of Canadian aviation in general.

For this reason, some of the main centres of the air training enterprise will be located at present airports of the Trans-Canada Air Lines. The largest and busiest of the Trans-Canada ports are excluded from this phase of the plan for reasons of safety and because of their unsuitability for military training centres. These are Toronto, Montreal, Vancouver, Winnipeg and Lethbridge.

Other Trans-Canada fields (Ottawa, Regina and others are mentioned in this class) will be made centres of training activities; will have barracks, hangars, machine shops and other equipment installed.

Largest group of fields to be developed, however, will be the 42 emergency landing fields of Trans-Canada Air Lines stretching from coast to coast. Today, these are almost invariably little more than large pasture fields with a lonely caretaker in charge.

The air training scheme will likely mean that these will be greatly improved and will get a full complement of equipment and accommodation depending on the varying needs of the training programme.

Some municipal airfields are also expected to share in this development. Indications are that not a great many brand new airfield sites are needed for the scheme.

Huge Building Programme

Airport construction costs vary a great deal and no detail has yet been released regarding the expected costs of this phase of the scheme.

Observation of current government airport building, however, indicates that the barracks are likely to be modern frame construction with hangars, machine shops, etc., of steel frame, brick construction.

The plan definitely points to a major construction programme stretching all across Canada which will have important development results both near urban centres and in establishing the nucleus of communities in many completely rural areas.

The Prime Minister's pronouncement carefully avoided naming any number of airmen to be trained. He said the scheme "provides for the training of many thousands of air pilots in Canada each year, about three fifths as many air observers and a slightly larger number of air gunners than pilots."

How much of the scheme as revealed so far is in the realm of probability and how much is the concrete detail of a course of fairly immediate action is not apparent. Course of the war can be expected to be a vital factor in answering this question. Precipitate action is not usually one of Mr. King's vices. The scheme can be expected, it seems, not to outrun evident need.

Some hint of the number of men to be trained may be found in the Prime Minister's radio address. "When it is in full operation," he said, "nearly 40,000 officers and men will be required to man all the various schools, depots, and other parts of the organization. This number comprises," he went on to explain, "2,700 officers, 6,000 civilians and 30,000 air force members other than officers and not including students."

Funded Debt of B. A. Oil Stands at $8.5 Millions

Although official word is lacking as to net yield to British American Oil Co. from its recent sale of $2 millions of 3¼% serial debentures, reports are current that the price basis compares favorably with that on the recent Ontario issues. It is doubtful, however, if the company got quite as favorable terms as it did for the $4 millions of serials sold last August at an average yield of 2.746%.

With the new financing, B. A. Oil has $8.5 millions of funded debt outstanding. This figure was incorrectly stated in The Financial Post of Dec. 16, 1939, as $12.5 millions. With the exception of $1¾ million of 3% debentures due 1949, all of the company's debt matures serially between now and 1948.

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This is a time when we must summon afresh all our reserves of alertness and steadiness; a time to reinforce the protection of property against all eventualities. In these troublous days it is a duty to the community no less than a personal responsibility.

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THE EMPLOYERS' ASSURANCE

MONTREAL TORONTO
WINNIPEG CALGARY VANCOUVER

Fire and Casualty Insurance

The Nation's Business

(Continued from page 1)

pose by the Secretary of State. Actually only two organizations have been granted such approval—the Canadian Red Cross Society and the Y.M.C.A. national war fund—both very worthy groups.

Other organizations raising money for war work, that within its sphere is just as important as the work of the Red Cross and the "Y," are not being granted the same recognition.

• • •

No one objects to the Red Cross and the "Y" being recognized. Both are doing inestimably useful work for Canadian soldiers.

But what about organizations set up to provide needs and comforts and relief not provided by the military authorities, by the Red Cross or by the "Y"? Their work is, in many cases, war work of an essential character fully entitled to recognition as such by the income tax authorities.

The effect of Ottawa's stand is that donations that will be used to supply, let us say, a sailor's hostel in a Canadian seaport or ambulances for the Finnish army will be exempt up to 50% of a man's income while money supplied to help furnish a military hospital here or overseas will be exempt up to only 10%.

Ottawa should review this matter with some recognition of the present inconsistency in its policy. It should not hesitate to extend the 50% exemption to all funds raised solely and specifically for the purpose of looking after the needs of Canadian soldiers in wartime.

• • •

Annuity Losses Can Be Cut

One specific and completely unnecessary drain on government spending is the continued practice of selling government annuities at "bargain rates."

Speaking at New York last week at the annual meeting of Life Insurance Presidents, Ray D. Murphy, president of the Actuarial Society of America, and vice-president and actuary, The Equitable Life Assurance Society of the U. S., made an exhaustive review of the sale of annuities by governments.

Besides digging into back history to trace the growth and origin of annuities, he assembled some highly interesting facts about the bitter financial experience of the British Government from the year 1808 when it first introduced a costly, insolvent scheme which over a period of 47 years cost the Exchequer more than $45 millions.

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Mr. Murphy also submitted some striking figures about the annuity programme of the Canadian Government.

He stated that government annuities are sold in Canada at "bargain rates" which are from 10 to 20% below those used by private companies. He pointed out that in administrative expenses alone, this policy cost the government $676,000 in the five years ending March 31, 1937. In addition, Canada has been forced in that period to transfer over $10 millions out of the consolidated funds of the Dominion to maintain the annuity reserve on a solvent basis. The transfer in 1938 was $8.9 millions.

Mr. Murphy made no comment as to what he thought the Canadian Government or the Canadian people should do about their costly annuity business. But he did point out that these annuities were clearly not fulfilling their intended purpose of heading off old-age dependency since the bulk of the contracts are being sold to well-to-do or wealthy persons. He also pointed out that competitive life insurance companies, if allowed to compete on an even basis without "bargain rates" subsidized by taxpayers, can do a more efficient and less costly job of selling annuities than any government body.

• • •

As former president of a life insurance company, Hon. J. L. Ralston is well equipped to appreciate the truth and importance of Mr. Murphy's remarks.

As a finance minister earnestly seeking to curtail unnecessary government expense in time of war he can effect an immediate and substantial saving by placing the government annuity branch on a sound, actuarial basis and by charging purchasers—not taxpayers—with the costs of administering and merchandising this widely used savings plan.

• • •

Key to Prosperity in Bacon Deal

Appointment of the Hon. J. G. Taggart, Minister of Agriculture in the Government of Saskatchewan, to head the Bacon Board should be highly satisfactory. Mr. Taggart has acquired a reputation as an administrator of ability and force. His interest in the welfare of agriculture is guaranteed, not only by his official position, but also by his occupation as a farmer.

Confidence of farmers in administration of the bacon deal with Great Britain is of the greatest importance. There is no selling problem involved. That aspect of the deal is already taken care of by the agreement of Great Britain to take a large quantity of bacon at a fixed price. The problem is one of production, to persuade farmers to produce enough hogs so that full advantage can be taken of the market.

It is fitting that a Westerner should be head of the Bacon Board, since it is in western Canada that the greatest increase in hog production is expected to take place.

• • •

A satisfactory response by the farmers of Canada to the opportunities of the British bacon market during the war will mean that Canadian farmers are helping to provide an essential food both for soldier and for the civilian population of Great Britain. But it should also mean establishing permanently a much more important place for Canada in the British bacon market than has previously been enjoyed by this country.

The best Canadian bacon, experts claim, has been fully equal in quality to Danish bacon. But because Canadian supplies were irregular in quantity to a great extent, as well as lacking uniformity of quality, the price was always well below that of Danish bacon. This country's product was in the peculiar position that larger quantities would presumably have produced a larger, and not a smaller, unit price.

A steady stream of bacon supplies for Great Britain, with hog marketings well distributed throughout the year, along with the requirements for Canada's own market, would mean close to fifty million dollars a year, well distributed among the farmers of Canada, and over the year's operations. The bacon deal does not mean anything like boom prices, or boom production. But it does mean an important element in the prosperity of Canadian agriculture.

Stand. Paving Profits Hold

Air Training and Waterways Schemes Promise Business

Outlook for Standard Paving & Materials Ltd. may be largely influenced by the outcome of two major developments. Of more immediate importance is the announced decision to go ahead on an air training scheme in Canada. Standard Paving has already received a contract for $120,000 of work in the Maritimes from the War Supply Board.

When construction of new airports really gets under way next spring, or perhaps sooner, Standard Paving will probably find considerable business available in grading and other work at flying fields.

Then there is the possibility of the St. Lawrence waterway scheme getting started some time next year, subject to ratification of treaties and agreements between United States and Canada.

For the current year, which ends March 31, 1940, prospects are that the company will cover the 62½ cent cumulative dividend on the new preferred from net profits, The Financial Post is told.

Canadian Converters Co. Operations Improve

From Our Own Correspondent

MONTREAL. — Operations of Canadian Converters Co. in the current year to date have been on a better basis than in the same period of the year ended April 30, 1939, The Financial Post is informed.

Not only has there been larger demand, but prices have been somewhat higher.

The outlook for the company at present is better than for some time past. Expectations are that if sales continue at the current rate the company will be able to show a profit this year. In the year ended June 30, 1939, the company had an operating loss of $19,767 and a net loss of $38,222 after all charges.

High Freights Hit Lumber

From Our Own Correspondent

VANCOUVER. — Failure of the British timber control board and the Canadian railways to agree on a satisfactory rate has stalemated, at least temporarily, the efforts of British Columbia lumber exporters to ship to the United Kingdom via the overland route to the Atlantic seaboard and thence by convoy across the ocean.

The railways were ready to move the lumber at 82 cents per 100 pounds, but the timber control board recalled that a year or so ago the roads made a special rate to meet Panama Canal competition amounting to about 50 cents per 100 pounds, and the board is determined to drive a hard bargain.

The railways counter the board's argument with the statement that the special low rate was for a brief summer period to cover shipments from the Pacific coast to Montreal, whereas to move the lumber in winter would involve a longer haul to Halifax or possibly Portland, Me., and additional costs would be incurred by the roads owing to necessity of barging a large proportion of the lumber from Vancouver Island to the B. C. mainland. In addition, the roads claim that 85% box cars would be required.

The lumber interests are thus caught between two conflicting parties. Their output is fast piling up in mill yards and wharves and unless they can start transporting the bulk of the accumulated stock within a few weeks widespread curtailment of production is inevitable. Already, the largest mills in the province announce they have made no plans for continued operation after February 1. An extensive shutdown would result in serious unemployment in British Columbia's leading industry and one on which the whole provincial economy is largely dependent.

Coast lumbermen do not hesitate to criticize the railways for what they regard as failure to co-operate in a necessary war effort. Under ordinary circumstances, the lumber would be shipped by the long water haul direct from B. C. ports via the Panama, but withdrawal of neutral ships from belligerent zones, the delays of the convoy system, concentration of shipping on the transport of foodstuffs and war metals and other delays incidental to war have convinced the lumber exporters that they can look for little relief on that score for months.

The lumbermen may urge the Government to pay a subvention to the railroads to move the lumber, arguing that a precedent for such action has already been established in the case of coal and other commodities, while wheat has been bountifully bonused for years. Negotiations among all parties are still being carried on.

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Can. Canners Earnings Rise

Good Export and Domestic Demand, Plus Better Prices, Make Outlook Brighter

Report of Canadian Canners Ltd. for the year ending Feb. 28, 1940, when it appears next spring will show earnings on a considerably higher level than last year, The Financial Post learns. Last year the company earned only 18 cents a share on its second preference stock, although regular dividends of 60 cents were paid. For the current year this dividend should be covered by a good margin. Reports that net profits this year may set a record for recent periods, however, cannot be confirmed officially.

Better domestic and export sales have contributed to the better showing this year. It is understood that export demand for many lines has been accelerated since the outbreak of war while demand from Canadian consumers has also been at a higher level.

Canada's exports of canned vegetables were $1.4 million in Oct., 1939, against $825,557 a year ago. Great Britain took the greater proportion. For the 10 months ended October this year, Canada exported $5.1 millions of canned vegetables compared with $1.9 million in the corresponding period of 1938.

Prices Firm

As a result of a number of factors, including the war and better demand, prices for canned fruits and vegetables have been firm this fall and winter. Some increases have been made and Canadian Canners should benefit from cessation of the distress selling that was so prevalent during 1938 and the early part of this year.

Illustrative of the changed conditions in the canning industry are the figures issued by the Dominion Bureau of Statistics for stocks of canned fruits and vegetables held by canners, wholesale dealers and chain store warehouses at Oct. 1, 1939.

In the most important division, canned vegetables stocks at Oct. 1 this year were 5.7 million cases as compared with 8.8 million cases a year earlier. The rise from 3.8 million cases at July 1, 1939, undoubtedly is due to the results of this year's canning season. Canned tomato stocks, the most important single item, is down from slightly over 3 million cases at Oct. 1, 1938, to 1.7 million cases this year. Of the total stock of canned vegetables, 4.5 million cases were held by canning firms and 1.2 million cases by others.

Canned fruits held in stock by the canners and trade amounted to 1.2 million cases at Oct. 1, 1939, against 1.5 million cases a year ago.

Liquidate Inventories

These tendencies have a direct bearing on the outlook for earnings of Canadian Canners in the current year. At Feb. 28, 1939, the company reported inventories of $6.1 millions, a new high level for this item. W. R. Drynan, president, reported that the increase of about $600,000 from the previous year was in manufactured goods as supplies were lower.

Thus the combined effect of better sales in both export and domestic markets and the probability of a somewhat lower pack last season, although final figures on this are not available, should enable the company to eliminate its unwieldy inventory. Tendency toward higher prices should also permit this liquidation of inventory to take place at more profitable levels.

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Red Auxiliary Is Revived

(Continued from page 1)

retary of the rejuvenated League is A. E. Smith, who has been an active Communist for 15 years and at latest reports was a member of the executive of the Ontario section of the Communist Party. He served as organizer and secretary of the League during the years it functioned prior to becoming dormant in 1936.

Former Minister

The father of Stewart Smith, Ontario Communist leader and sole Red member of Toronto's city council, A. E. Smith is a former minister. Twenty years ago he was pastor of a church in Brandon, Man., later moving east to take charge briefly of a Toronto church. It is worthy of note that while still a minister of the gospel he was agitating for a change in the economic system and associating with radical groups, in much the same way as the clerics who today appear as "fellow travellers" of the Reds.

He tied up with the Communist Party in 1924-25 and subsequently was assigned to the task of building up the Labor Defense League. With the aid of other Red agitators, the League functioned actively as a means of stirring up unrest, creating support for the Reds and their aims, and getting funds to defend Red agitators when they were arrested.

Defense for Reds Only

In the cases in which the League "fronted" for the Communist Party in providing lawyers and other aid for "workers" haled before the courts, few if any defendants were non-Reds, or unconnected with the party in some way. One of the main jobs undertaken by the League was the defense of the Communist leaders sent to Kingston penitentiary a few years ago, and subsequently agitating for repeal of section 98 of the Criminal Code. It also assisted when Mr. Smith himself was charged (unsuccessfully) on a sedition charge.

When the party temporarily dropped out of sight, between arrest of the Red leaders and repeal of section 98, the Labor Defense League functioned as "front" for the party's general activity. With the party again threatened by a hostile swing of public opinion, the Defense League has now been revived to cloak the funds-raising and subversive efforts of the party itself.

Aids Anti-War Move

Initial move of the re-created League has been to solicit funds to defend the Red agitators and sympathizers attempting to hobble Canada's war effort. These attempts have taken the form of anti-war propaganda, attacks on British and Canadian leaders, and efforts to justify Soviet tactics in eastern Europe.

In defending those who have fallen foul of the law with such activities, the Defense League professedly declares it is launching "a new crusade in defense of democratic liberties." In the Red-warped viewpoint of the League, those arrested under the War Measures Act and Defense of Canada Act have merely been distributing "peace leaflets."

It is notable, however, that the only defendant mentioned by name in the League's circular is Douglas Stewart, business manager of the suppressed Daily Clarion. This official organ of the Communist Party of Canada was published in Toronto. Prior to its suppression it was engaged in agitating against British and Canadian participation in the war.

"Fascist Reaction"

Speaking through the Defense League, the Moscow-controlled Communist group in Canada offers the theory that the arrests of Mr. Stewart and others are "a menace to individual liberty and democratic principles." It seeks to brand the arrests as "a real menace of fascist reaction."

Dominion Tar Profit Higher

(Continued from page 1)

ing increased construction activity up to outbreak of war.

Improvement in the operations of Dominion Tar cannot be directly attributed to the war. Rather, it reflects the general betterment in business activity.

Export of the company's products has virtually stopped since the war, but this has not seriously affected the company.

Benefitting from its experience in the last Great War the company has been preparing for such an eventuality. It has spent a large amount so as to be in a position to convert materials usually exported into products which can be sold in Canada. Experience to date indicates that it has been successful in this.

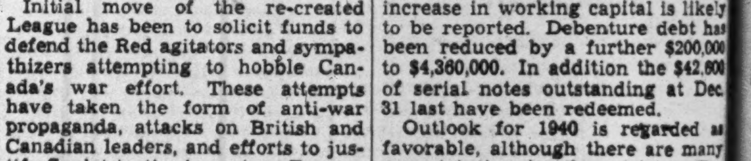
Larger Capital Outlay

A considerable amount has been spent this year on plant improvements. Capital expenditures this year have been the largest in 10 years.

Additional outlay has been made in improving the plant of Industrial Minerals, a subsidiary at Waterways, Alta. This company is engaged in recovering salt from a rock salt deposit. The new plant will be in operation early in 1940 and will then be in a position to supply all grades of salt.

The annual report when it appears in February will show further improvement in the financial position of the company. Despite large capital expenditures a further increase in working capital is likely to be reported. Debenture debt has been reduced by a further $200,000 to $4,360,000. In addition the $42,600 of serial notes outstanding at Dec. 31 last have been redeemed.

Outlook for 1940 is regarded as favorable, although there are many uncertainties in the picture. Expectations are there will be a good volume of industrial construction next year. Then, again, construction of hangars, staff buildings, etc. in connection with the air training programme, should mean additional business for the company and its subsidiaries.



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SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

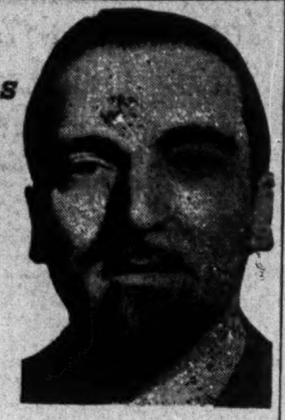
Municipality—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Sydney, N.S.	Dec.	Johnston & Ward; F. J. Brennan & Co.	4%	1945-54	$150,000	99.20	....
Halifax, N.S.	Dec.	Nesbitt, Thomson; Imperial Bank; Harrison & Co.	3½%	1941-47	275,000	100.03	....
Twp. of North York, Ont.	Dec.	H. D. Bellinger & Co.	3%	1940-49	30,000	....	....
Dominion—							
Canada Treasury Bills	Dec.	...		Mar. 15 '40	25,000,000	99.799	.806%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered By	Rate	Due	Amount	Price	Yield
Corp. of Parish of l'Annonciation (Oka) Quebec	Nov.	L. G. Beaubien & Co.	4%	1940-59	$15,200	99	....
Bowater's Newfoundland Pulp & Paper Mills	Dec.	Dom. Securities Corp.; Collier, Norris & Henderson, and Syndicate	5%	1968	2,300,000	98	5.12%

London Calling By Atticus

Plight of Finland Rouses Sympathy of Atticus —Grandi Appointment in Italy Significant


COUNT GRANDI

LONDON.—There is a winning charm about the Scandinavian peoples. Their courtly manners, their love of home life, their pride in bodily and mental health, their consideration for the stranger in their midst, their lakes and fjords marking the way to the moody Baltic, the pleasant voices and golden hair of the women, the delightful courtesies which greet the guest in their homes, the democracy which is neither the annihilation of one class nor capitulation to another—it is a pity that aggression and greed should lay their ugly hands on such things.

My apologies . . . Atticus is supposed to observe and not to feel. Let me extend my sympathy from Finland to M. Gripenberg, the Finnish Minister to London.

• • •

The Finnish Ambassador

More than once in these notes I have described how the clash of international events has its inevitable and swift repercussion in the life of the diplomatic corps in London. The Nazis march into Austria, and Sir George Franckenstein is ordered to clear out of the Legation like a lodger who is in arrears. Czechoslovakia is put under the knife, and Jan Masaryk becomes a wandering minstrel with songs of melancholy and bravery. Now M. Gripenberg, the Finnish Minister, must be wondering what is to be the fate of his own country.

Mr. Gripenberg is one of the most picturesque diplomats in London. He is very tall, something over six feet three, and is possessed of gusto and a humorous face. He would have been a great favorite on the French stage if he had chosen the theatre as his profession, for there is eloquence in his gestures. One night after dinner he told me of the great compliment he had received from the lady sitting next to him at the table. "She said that she had accomplished one of the ambitions of her life. I bowed modestly and realized that she was a woman of taste as well as beauty. Anticipating a compliment, I asked her what the ambition was. She told me that she had always wanted to dine with a Finn." The story was told with such a profusion of gestures and such appropriate facial expression that it seemed the best of jests at the time.

M. Gripenberg has represented his country in Spain, Portugal, the Argentine, Brazil and Chile. I think he liked Spain the best of all. The flaming colors of that land, the gorgeous skies and the passion of mere existence would appeal to his artistic appreciation of life. Madame Gripenberg is English but possesses elegance. I trust that the purist or the patriot will not object to the negative conjunction. Beauty our women have in abundance, but elegance is still included among our imports.

• • •

A Fascist Parliament

We are so obsessed with war that insufficient attention is given to foreign events which are not directly concerned with hostilities. For example, the appointment just announced of Count Grandi to be President of Fascios and Corporations deserves more than the passing notice which it has received in this country. If for no other reason than the respect and liking which we have for the ex-Ambassador we should follow his career with interest. In the present move, however, I believe there is significance as well as interest.

The Union of Fascios and Corporations is the new parliamentary experiment which the Fascists are undertaking. One section, about 200 strong, consists of the secretaries of the various Fascios throughout the country. As long as they hold that office they are automatically deputies and make up the section in actual political control of the Parliament. The remaining 400 members represent the Arts, Agriculture, Employers and Workers, Banking, and the Professions. Thus the journalists or the musicians will choose their representative, and he becomes their spokesman without any further election.

Unlike the British Parliament, the Italian deputies will meet en masse only on special occasions. Instead there will be committees of thirty dealing with those measures for which they are specially competent. Count Grandi will preside over this new experiment in government, and can be relied on to do so with tact and firmness.

• • •

Uniforms at Westminster

In our own Parliament opening of the new session was shorn of nearly all its pageantry. The King's Speech was no more than a few words, delivered to a House of Lords in which the costumes of those present were in keeping with the November morning. In the House of Commons the proposer and seconder of the Address in reply to the Gracious Speech lacked the usual variety of topics. Yet there was interest in the two men for the reason, as Hansard duly records, that one wore military uniform and the other naval.

If a painter were commissioned to put on canvas the historic wartime scenes in the Commons, he would have to include Captain Medlicott, despite his short period as a member. On the morning of Sunday, September 3, as Mr. Chamberlain announced that we were at war, Lance-Corporal Medlicott sat on the arm of one of the cross benches. There was a sturdy democracy about his one stripe that would have appealed to the artist's brush. Then, when the first new war session is opened, no less a person than Captain Medlicott is chosen as one of the two M.P.'s to thank his Majesty for his speech. The swift transition from lance-corporal to captain is no doubt gratifying to his friends but it took away the distinction of that single stripe.

Of Captain Marsden, who had also gone up a step in rank, we remembered how at Jutland, after swimming for many hours, he was the sole survivor of the ship he had commanded.

• • •

Enemy Exports

Few people will envy Lord Justice du Parcq in his new appointment as chairman of the Enemy Exports Committee. He will be faced with indignant neutral shippers who will refuse to see any reason why German exports should not be allowed to reach their destination in order to finance the manufacture of German mines to blow up neutral ships. However, their exasperation or their unreasonableness will not upset the courteous imperturbability of the judge. He is used to adjudicating on knotty problems.

Lord Justice du Parcq is a native of Jersey, that island of the blessed which gave us the Jersey Lily. He went to Oxford and one of his speeches at the Union, over whose debates he came to preside, is still spoken of as a model of restrained yet emotional eloquence. Government appointments do not all meet with delirious approval, but I cannot think that there will be one voice raised against the choice of the distinguished judge to preside over the Enemy Exports Committee.

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The Home Front

Salvation Army

Work of Last War in Providing For Soldiers to be Duplicated

The uniform of the Salvation Army, which became a familiar sight to Allied troops during the Great War, will again be seen wherever soldiers are concentrated.

The Canadian Salvation Army plans for participation in the present conflict envisage little change from the part it played in 1914-18. Huts and other buildings are now operating in the Dominion at many points where military organizations are in existence.

The organization placed its facilities at the disposal of the various belligerent governments immediately on the outbreak of war. The administrative structure of the regular peacetime organization will remain unchanged during the war, but the Salvation Army services will be expanded to meet in the increased demands of war.

To Provide Chaplains

No action is contemplated without the sanction of the Department of National Defense. The wartime work of the Army is under the direction of Major Alfred Steele, who is already overseas.

There will be several chaplains from the Salvation Army, stationed with the troops, paid for and under the direction of the Government.

The organization does not intend to provide any services which overlap with those provided by other bodies. Its work will be limited to caring for the comforts of enlisted men and their families. Dry canteens will be operated and religious and other servies provided. Casualties in hospitals will be visited regularly by members of the Army.

Aid Evacuees

There will be other work undertaken, made necessary by war. Garments have already been shipped to England by the Canadian organization for distribution to children evacuated from their homes as a result of threats of air bombing attacks.

The Salvation Army plans to appeal to the public for funds to carry on its work. All moneys collected for wartime work will go for that purpuse only, with no portion used for maintenance of the organization's peacetime administration. Any profits accruing from the operation of canteens will be devoted to services for soldiers.

Regular services of the Army will continue without interruption.

Financial statements of the organization are available to the public. The Salvation Army has prepared a financial statement of its operations, for The Financial Post, which indicates the use to which donations are put, and the proportionate use in percentages to which the donor's dollar will go.

Following is a statement of income and expenditures of funds raised by the Army and purposes for which they were used in the 1938 fiscal year.

Summary of Income and Expenditures
For the year ended Sept. 30, 1938

Income:		
Contributed by public for all purposes	$380,118	
Disbursements:		
Maintenance of 52 social welfare institutions (including children's homes, emergency and rescue homes for girls, maternity homes, men's shelters and food depots, hostels for homeless men and eventide homes for aged men and women), relief of distress—food, clothing, fuel, etc., to needy families; police court and prison work; league of mercy and fresh air camps	164,724	43.0%
Character building activities (youth groups, scouts, guides, cubs and young people's bands) and training of personnel	25,265	7.0
Maintenance of 300 centres of work (visitation of sick and needy, investigation and evangelistic work)	63,184	16.5
Central headquarters—(salaries, rent, travelling, office expenses, etc.)	40,929	11.0
Superannuation of officers	23,512	6.0
Missionary work for support of 90 Canadian officers in foreign lands	23,961	6.5
Publicity and cost of appeals	38,544	10.0
	$380,118	100.0%

In addition to these contributions the Army receives occasional bequests, which when possible are used for the benefit of the branch to which they are left. The contributions shown for 1938 do not include those received from Salvation Army members.

The organization has been assisted by the following endowment funds in recent years:

Endowment Fund	City or Province
O. E. Smith estate	Halifax Grace Hospital.
Gilman Cheney trust	Montreal.
Henry Town estate	British Columbia.
H. E. Tomkins estate	Calgary.
Sir Chas. W. Lindsay	Montreal.
Hon. P. Burns estate	Calgary.

Personal Service

Because one of the greatest contributionss this organization makes is one of personal service, such as visiting sick and needy, rehabilitation of men and women, etc., administration costs are higher than in the case of a body concerned entirely with the distribution of material aid. Publicity and cost of appeals are in the hands of the department at headquarters, which raises funds and is responsible for public relations. In this expense are included rent, salaries and other expenses of the department.

The Salvation Army is incorporated with a Dominion charter. In eastern Canada the name is The Governing Council of The Salvation Army, Canada East, and West of the Great Lakes, it is The Governing Council of The Salvation Army, Canada West.

Territorial headquarters for Canada, Alaska, Newfoundland and Bermuda are in Toronto.

Advisory boards operate in the larger municipalities in the Dominion.

Advisory Boards

The Montreal advisory board is composed of: Sir Edward Beatty, chairman; Arthur B. Purvis, vice-chairman; Lt.-Col. Allan A. Magee, hon. sec.; Brigadier Peter Forbes, secretary; Lt.-Col. Gilbert Best, divisional commander; John Bassett, A. O. Dawson, G. H. Duggan, E. P. Flintoft, J. W. McConnell, J. A. Mathewson, Alexander M. Murphy, A. J. Nesbitt, Col. C. B. Price, Hon. Gordon W. Scott, F. N. Southam, Morris W. Wilson, A. Barton Wood.

The Toronto advisory board is composed of: Rt. Hon. Senator Arthur Meighen, chairman; Gordon F. Perry, J. E. Atkinson, Clarence A. Bogert, A. E. Dyment, Col. R. Y. Eaton, J. W. Hobbs, C. O. Knowles, John R. Lamb, S. H. Logan, C. George McCullagh, J. A. McLeod, T. A. Russell, G. Harrison Smith.

Commissioner Benjamin Orames and Col. G. W. Peacock, chief secretary, are in charge of the territorial headquarters.

Civil Service Increased 48% By Duplessis Govt.

From Our Own Correspondent

MONTREAL.—A preliminary survey made by the Godbout Government indicates that when it took office on Nov. 8 there was a total of 9,792 civil servants on the provincial payroll. Salaries and wages of these employees totalled $13.7 millions annually.

When the Duplessis Government took office in 1936 there were 6.615 civil servants, drawing salaries totalling $9.3 millions annually. Thus, the civil service was expanded by 3,177 in three years and $4.4 millions added to the wage and salary bill.

Some reduction in staff has already been effected by the new government and more is contemplated.

Trans-Canada Plans Service to New York

From Our Own Correspondent

MONTREAL.—Trans-Canada Air Lines has taken possession of its new hangar at St. Hubert Airport, near Montreal.

Trans-Canada has also applied for hangar space at the new municipal airport in New York. T.C.A. plans to inaugurate service between Toronto and New York. It was recently licensed by the Board of Transport Commissioners to operate on this route and has applied to the Civil Aeronautics Authority in Washington for a certificate of convenience and necessity. Date of commencement and frequency of service have not been determined as yet.

N.B. Pledges Co-Operation

Surveys Made in Order to Co-ordinate the Provincial Resources

In a statement to The Financial Post, Premier A. A. Dysart, who was recently returned to power in New Brunswick, reiterates that the New Brunswick Government plans to cooperate with the Dominion Government in every way possible in the prosecution of Canada's war effort.

Agriculture, industry, fisheries and forest and mineral wealth of the province will be organized and coordinated in support of the war effort.

"Extensive surveys have already been carried out in every field of provincial endeavor, to ensure adequate co-ordination of New Brunswick's provincial resources," stated Mr. Dysart. The immense amount of foundational research carried out by all departments of the Government during our previous term of office is proving of inestimable value in the rapid mobilization of our provincial resources in the present crisis.

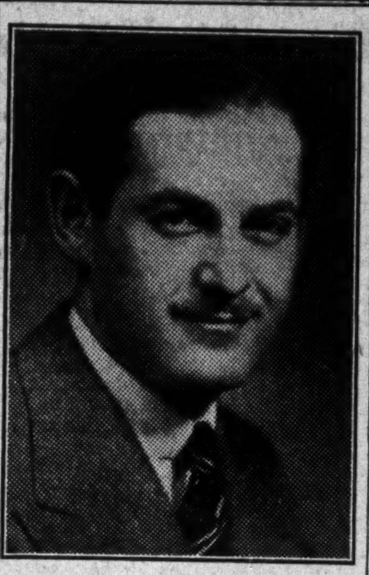
Has Attractions for Industry

"An encouraging sign of the times is the renewed interest being shown in New Brunswick as a factory location for export trade. Our geographical shipping location, hard-surfaced road communication system, and adequate transportation facilities by rail and water are receiving their due recognition today.

"It is becoming recognized throughout Canada that the latent wealth of New Brunswick in forests, farmlands, fisheries and mines, offers opportunities to capital and enterprise.

"Cheap electric power, an intelligent laboring class, the manual dexterity imparted to many thousands of our youth by vocational and youth training projects, and freedom from industrial strife, all unite to attract the manufacturer and investor to our Province.

"A sound fiscal policy, progressive leadership, the inauguration of many social services, and a watchful care of our wealth of natural assets, have served to give direction to the efforts of our virile and industrious population to win their fair place in Canada's industrial expansion."



J-M SALES MANAGER

Harry A. Kayes, whose appointment as sales promotion manager of Canadian Johns-Manville Co. has been announced. Educated at the University of Toronto, Mr. Kayes has been with the company for three years, and at the age of 27 is one of the youngest sales managers in the service of any large Canadian industrial concern.

Newfoundland Trade Slips

Off About 10% But Canadian End is Well Maintained

Total trade of Newfoundland in the year ended June 30 last had a value of $56.4 millions, according to the customs returns just released. This is a reduction of $6.4 millions from the previous year or about 10%.

Exports totalled $31.9 millions as compared with $34.9 millions in 1937-38. Imports amounted to $24.4 millions as against $27.9 millions.

During the year Canada maintained its position as the most important source of Newfoundland's imports. United States was in second position and Canada third. Given below are comparative figures of imports from these three countries.

Imports Into Newfoundland

Source:	1938-39 $	1937-38 $
Canada	9,196,212	9,973,700
United States	7,677,814	9,408,729
United Kingdom	5,877,670	6,351,620

The United Kingdom is by far the best customer for Newfoundland's products, taking $11.3 millions worth in 1938.39. About $8.6 millions of this represents newsprint. Shown below are comparative statistics of exports to Newfoundland's best customers.

Exports of Newfoundland

Destination:	1938-39 $	1937-38 $
United Kingdom	11,326,845	12,243,676
United States	7,264,666	8,168,098
Canada	2,454,648	3,146,570
Holland	2,138,893	1,975,481
Belgium	1,676,915	2,494,298
Germany	1,415,587	783,408
Portugal	1,034,184	524,698

Newfoundland's most important export from point of view of value is newsprint, exports of this product totalling $12.6 millions in 1938-39. Products of the mines are next at $9.4 millions and the fisheries are in third position with $7.4 millions.

New Books . . . . .

The Bell System's Record

AMERICAN TEL. & TEL. By Horace Coon. Published by Longmans, Green & Co., Toronto. Price $3.50.

Some $2 millions was spent by a United States commission to study the intricate financial structure and the operating methods of the Bell Telephone system. Months were devoted to the investigation. The evidence taken, the report prepared and the reply submitted by the American Telephone and Telegraph Co. provide a rich source of material on business, on public utilities and on the subject of monopolies. Mr. Coon has dug deeply into this mine of data and has produced, as a sort of synopsis or synthesis, this study of the Bell System.

The history of the telephone is given together with a record of the rise from Alexander Graham Bell's invention of the largest single corporation ever to come into being, a corporation that enjoys in its field a virtual monopoly of service.

The Federal Communications Commission investigator who wrote the "report" on the Bell monopoly indulged in much mud-raking. He thought the Bell system was wholly bad. Such a report was inevitable from an investigation conducted in the business-baiting era of Washington's New Deal. Mr. Coon is more independent in judgment. He finds things to criticize but he finds much more to commend in Bell policy and Bell methods. The record of the company is to him "surprisingly clean." It presents an example to businessmen of large-scale planning. A. T. & T. has effectively policed and regulated itself in the public interest. Finally, as a monopoly on a continental scale, it is just what is needed. Where a "natural" field for monoply exists monopoly should be encouraged. "Trust-busting" is "futile, stupid and downright dangerous," thinks Mr. Coon.

Mr. Coon's book will unquestionably cause the New Dealers and the critics of business to tear their hair and bite their finger nails in rage and despair. Yet some of its candid comments on A. T. & T. men and their actions may annoy the company itself. That was inevitable in a volume that set out to achieve the degree of independence that Mr. Coon has successfully displayed. But any business corporation might be proud of a record such as Mr. Coon has here set forth.

Progress in Housing

URBAN AND RURAL HOUSING. By M. B. Helger. Published by the League of Nations Economic Intelligence Service, Geneva. Distributed in Canada through League of Nations Society. Price, 80 cents.

Results of a League of Nations survey of the progress made and the methods used in improvement of housing conditions in 10 leading countries, including Canada, are embodied in this volume.

The survey deals largely with the housing problems which have arisen since the close of the last war, the attempts made in various countries to grapple with such problems, and the results achieved. The general conclusion reached by the author is that while much progress has been made in improvement of housing for the poorer classes, serious problems still persist. He says:

"Notwithstanding this progress, housing conditions still leave much to be desired. Recent investigations in a number of countries reveal that overcrowding still frequently occurs and that, even in towns that have the reputation of being up to date, a considerable number of dwellings are defective, lacking even the most essential sanitary conveniences.

"In every country a large proportion of the urban population lives in unhealthy dwellings, many of which should properly be called slums. So far as accurate information is available about rural conditions, they seems to be similar, or even worse. The housing problem, therefore, is far from being solved."

The report points with particular emphasis to the periodic occurrence of housing shortages in various countries, the marked fluctuations of building activity, and "the more or less permanent inferiority" of housing accommodation to minimum standards of sanitation, comfort, decency, crowding, etc.

Summary of Canadian progress, existing conditions and persisting deficiencies is included in a special section dealing with urban housing only in Canada and the United States.

CANADA'S FLORIDA HEADQUARTERS

DANIA BEACH HOTEL
DANIA, FLORIDA

Spend your winter vacation in the relaxing environment of this delightful East Coast Florida resort. Dania Beach Hotel provides restful seclusion if you desire it, as well as an ideal location for the more active vacationist.

Situated between Palm Beach and Miami, the sporting, entertainment and social centers are all quickly accessible. Two 18-hole golf courses are only 7 minutes away, three beautiful beaches are less than a mile distant; the thrills of deep-sea fishing are an unforgettable experience.

Every room is a handsomely decorated outside room with private bath. The dining room is renowned for its excellent cuisine and its fresh Florida fruit, vegetables and sea-food.

EUROPEAN PLAN DAILY RATES:
Single rooms from $2.50; Double rooms from $4.00
Weekly, monthly and American Plan terms.
Write for descriptive booklet.

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SHIPYARD AND OFFICE, SOREL, QUE.
Executive Offices: Marine Building, 1405 Peel Street
MONTREAL, QUE.

International Paints (Canada) Limited

and Subsidiary Companies

Annual Report of Board of Directors for year ended September 30, 1939

TO THE SHAREHOLDERS:

Dear Sir or Madam:

Your Directors beg to submit herewith the Eleventh Annual Report of the business and affairs of the Company for the fiscal year ended September 30, 1939, together with Financial Statements certified by your Auditors, Messrs. Price, Waterhouse & Co.

After deducting $36,883.20 for Depreciation, the operations for the year show a profit of $142,769.88 as compared with $100,671.59 last year. Ten per cent of this amount has been transferred to General Reserve as required by the By-laws and after allowing for Income and Profits Taxes and transferring $50,405.96 to a Reserve for Amortization of the Company's Bonds, which mature in 1943, there is a balance of $52,500, which in accordance with the terms of the Compromise or Arrangement between the Company and its Shareholders approved by you on March 16, 1936, your Directors have determined as being the net earnings for the year available for the payment of dividends on the New Preferred Shares; these net earnings being sufficient to provide for the regular dividend at the rate of 5% per annum for the year ended September 30th last and for an additional dividend of 1¼% (25c per share) on account of arrears. Such dividends were accordingly declared on November 30, 1939, payable on December 21st to Shareholders of record at the close of business on December 9th.

During the year under review First Mortgage Ten Year 5½% Sterling Bonds amounting to £4,000 ($19,466.00) have been redeemed and cancelled. Capital Expenditures consisting of Machinery, Equipment and miscellaneous additions to Buildings, amounted to $15,308.47.

All inventories were priced at the end of the Company's fiscal year on the basis of cost or market, whichever proved to be the lower.

Your Directors desire to express to the officials and all employees sincere appreciation of their services rendered during the past year.

In accordance with the By-laws, five of your Directors, Messrs. J. F. Belyea, W. W. Hutchison, J. E. Labelle, K.C., E. F. Newcombe, K.C., and Frank M. Ross, retire at the ensuing Annual General Meeting and are eligible for re-election.

For the Directors,
FRANK M. ROSS,
President.

Montreal, Que., November 30, 1939.

Consolidated Balance Sheet—September 30, 1939

Assets

Current Assets:		
Cash in Bank and on Hand	$100,703.45	
Accounts Receivable, less Reserve of $10,900.00 for Doubtful Accounts	337,529.55	
Surrender Value of Life Insurance Policies	4,916.05	
Physical Inventory, as certified by the Management, valued in respect of Raw Materials and Supplies at Cost and as to Goods in Process and Manufactured Stock at Standard Costs estimated by the Management	296,686.24	$739,835.29
Investments in Property and Securities Carried at Cost, Less Reserve of $25,000.00		12,460.63
Deferred Charges to Operations:		
Prepaid Insurance, Taxes, etc.		11,622.28
Property Assets:		
Land at Cost, less write down resulting from expropriation, Buildings, Leasehold, Machinery, Plant and Equipment, at cost, with the exception of certain properties which are carried at a value determined by the Chartered Trust and Executor Company in November, 1931, viz.: $25,000.00 plus subsequent additions at cost	$609,030.27	
Less: Reserve for Depreciation	286,363.59	322,666.68
Trade Marks, Patents, Formulae and Goodwill		190,001.00
		$1,276,585.88

Liabilities

Current Liabilities:			
Accounts Payable		$ 87,728.12	
Accrued Liabilities		1,039.00	
Provision for Dominion, Provincial and Other Taxes		26,338.29	$ 115,105.41
Mortgage Payable:			
Due April 1, 1942			3,900.00
First Mortgage Ten Year 5½% Sterling Bonds due September 1, 1943	£30,000.0.0	$146,000.00	
Less: Redeemed and cancelled	12,000.0.0	58,399.99	87,600.01
	£18,000.0.0		
General Reserve			48,756.02
Reserve for Amortization of Bonds			106,236.40
5% Cumulative Participating Preferred Stock:			
Authorized and Issued—42,000 Shares of $20.00 each			840,000.00
Note.—Dividends aggregating $6.25 per share have accumulated on the Preferred Stock, of which $1.25 has since been declared payable on December 21, 1939. When all arrears of dividends have been fully paid up, the dividend rate will increase to 6%.			
Common Stock:			
Authorized and Issued—			
Class "A"—20,860 Shares without par value		$104,300.00	
Class "B"— 7,140 Shares without par value		35,700.00	
		$140,000.00	
of which the total amount was attributed to Surplus		140,000.00	
Capital Surplus			10,087.69
Earned Surplus, Balance at September 30, 1939, as per Statement attached			64,900.35
			$1,276,585.88

Approved on Behalf of the Board:
J. EDOUARD LABELLE, Director.
J. H. DAVEY, Director.

Submitted with our Report to the Shareholders dated November 30, 1939.
PRICE, WATERHOUSE & CO.,
Auditors

Consolidated Statement of Profit and Loss and Earned Surplus for the year ending September 30, 1939

Profit from Operations, before provision for the undernoted items		$212,807.36
Income from Investments and Rented Property		2,092.78
		$214,900.14
Interest on Bonds and Mortgages	$ 6,022.21	
Directors' Fees	2,080.00	
Executive Salaries	25,813.60	
Legal Fees	1,331.25	35,247.06
		$179,653.08
Provision for Depreciation		36,883.20
		$142,769.88
Provision for Dominion and Provincial Income and Profits Taxes	$ 25,586.93	
Transferred to General Reserve	14,276.99	39,863.92
		$102,905.96
Transferred to Reserve for Amortization of Bonds		50,405.96
		$ 52,500.00
Earned Surplus—Balance September 30, 1938	$ 64,571.15	
Net Profit on sale of Capital Asset	84.50	
Adjustment in respect of Income Taxes	234.70	64,890.35
		$117,390.35
Dividend paid on Preferred Stock, December 21, 1938		52,490.00
Balance of Earned Surplus, September 30, 1939		$ 64,900.35

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of International Paints (Canada) Limited and its wholly owned subsidiary companies for the year ending September 30, 1939, with the exception of Stewart and Wood Limited, in respect of which, we have accepted accounts audited by another firm of chartered accountants. We have received all the information and explanations which we have required; and we report that, in our opinion, the attached Consolidated Balance Sheet at September 30, 1939, is properly drawn up so as to show a true and correct view of the state of the combined affairs of International Paints (Canada) Limited and its subsidiary companies at that date, according to the best of our information and the explanations given to us, and as shown by the books of the companies which we have examined and by the audited accounts of Stewart and Wood Limited.

Montreal, November 30, 1939.

PRICE, WATERHOUSE & CO.,
Auditors.

Investment Trends

Markets Enter Era Of Year-End Rise

Higher Commodity Prices and Gains in Latest Business Figures May Support Prices While Possible Decline Discounted

There are two influences that are watched at this time of year as giving stock market clues. The most immediate of these is the volume of Christmas trade which retailers are able to obtain. Accurate Canadian figures on this question are impossible to obtain early enough to be of much value, but general information resulting from a canvass of representative retail units reveals optimism.

Then there is the matter of the traditional year-end rise in the stock markets. Although this has become the most certain of all seasonal influences on stock prices, it is not infallible. Last year, as a matter of fact, the "January rise" turned out to be a decline. This year is even harder to predict.

On the optimistic side may be cited such powerful factors as a marked rise in many commodity prices in the past month, led by such international items as wheat, cotton, tin and silk. In the U. S., this move has taken the Dow-Jones index of commodity futures well above the peak of last September and has more than cancelled the long decline that followed.

Finally there is the support of business figures. For November, The Financial Post index of Canadian business reached 129.5, marking the seventh consecutive month of rise and reaching a new high since early 1929. With signs that stimulation from Canada's war effort is just now getting under way, stock prices should continue to have the support of a good level of business activity. It is probable that December will show the recent rate of gain not maintained in all departments but fear of a reaction has been so publicized that much of any slowing up that may occur is probably already discounted.

* * *

Tipster Sheets

A renewed flood of so-called "investment advisory services" has been reaching Canadians in all sections of the country. Time after time, subscribers to The Financial Post have enquired as to the standing of sheets carrying glowing offers.

Leading the fight to eliminate this menace to Canadian investors are the Better Business Bureaus of Montreal and Toronto. They are co-operating with the Quebec and Ontario authorities in obtaining evidence on which to base a move to curb activities of these "tipster" sheets.

The Montreal Bureau outlines the usual method of procedure as follows:

> "The usual procedure of these so-called advisory services is to solicit trial subscriptions, and to invite prospective subscribers to send them a list of their holdings for analysis. By responding to such invitations the subscriber immediately places himself on a "sucker list" and makes it easy for the "tipster" to deluge him with letters, telegrams and long-distance calls urging the recipient to purchase certain stocks which, according to the "tipster", are bound to rise in value very quickly. Needless to say, the "tipster" publication fails to disclose that it has a financial interest in getting its subscribers to buy certain stocks it wants to unload."

* * *

Electrical Appliances

Ontario Hydro has completed some interesting figures showing how widespread is the use of electrical apparatus among domestic consumers served in its various districts. The survey shows that small appliances—irons, toasters, radios—are nearing the saturation point. Sales in these fields, whether by Hydro or by independent dealers are rapidly approaching a replacement basis.

Hydro estimates that the average home in Ontario is not more than 25% supplied with electrical appliances. The average consumption in Ontario urban homes is 1,980 kw.h. per year, while Hydro estimates that an average home could easily consume 8,000 to 10,000 kw.h. annually. While farm users of Hydro are well up with urban consumers in many appliances, the extensions being made to the rural lines give room for growth. The table that follows compares home use of appliances but does not allow for appliances used in farm or hamlet barns.

Comparative Saturation in Homes
(End of 1938)

	Urban %	Hamlet %	Farm %
Electric:			
Ranges	29.6	12.5	17.2
Hot plates	18.1	23.4	21.7
Washing machines	51.2	44.9	57.2
Vacuum cleaners	33.6	13.4	13.5
Water heaters*	10.6	3.3	4.0
Water heaters†	9.7	2.0	2.0
Grates	7.3	0.8	0.7
Heaters	31.1	7.6	9.1
Ironing machines	2.6	1.2	1.1
Irons	99.8	72.1	76.6
Refrigerators	18.7	12.1	11.8
Toasters	62.1	49.7	51.4
Blowers & burners	5.2	1.7	1.6
Radios	79.7	68.8	70.3

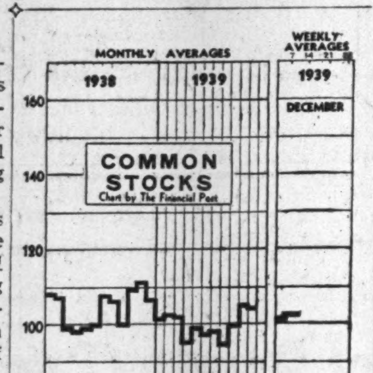
*Flat rate. †Metered.

* * *

Hosiery Industry

A continued sensational rise in prices of raw silk are presenting a dilemma to Canadian manufacturers who require this textile. Outstanding example is the women's hosiery industry. Spot silk hit a level of over $4 a pound last week in New York, almost three times the price of a year ago.

The problem faced by hosiery manufacturers in Canada is one of how best to adjust their selling prices to avoid a buyer's strike while at the same time protecting profit margins to a certain extent. Already there have been substantial rises in prices but further increases are prophesied for early next year. So far, however, there has not been a corresponding increase in the purchasing power among the consumers, with the consequent threat that sales will become restricted. An alternative now being considered by a number of hosiery manufacturers is to change methods of manufacture which, while perhaps not quite maintaining present standard, would result in considerable savings in cost.



Market Opinions

Almost unanimously, students of the U.S. stock markets hold that the reactions of the past few weeks have not uncovered any marked weaknesses.

Barron's, New York (The Trader)—"Traditonal, best-defined seasonal movement in stocks is a rise beginning some time prior to Christmas and extending into the first week of January. From the technical action of the market, in rebounding in two weeks to the highest level since the day after the Roosevelt Thanksgiving, and in the fundamental relation of stock returns to bond yields, there is still warrant for the expectation of higher markets."

* * *

Journal of Commerce, N.Y. (Jules I. Bogen)—"The prevailing level of stock prices is about the same as that of a year ago, and is moderately lower than the top of the March rally. The stock market today cannot be regarded as particularly vulnerable, despite the fact that the trend in production for the next few months is quite likely to be persistently downward."

* * *

Magazine of Wall Street, N. Y.—"Nothing has yet developed that would prompt any change in investment policy. Not only should good stocks be held for the comparatively liberal incomes being afforded, but also as a hedge against the inflationary forces which seem destined later on to exert an important influence upon the economy of the country."

* * *

The Annalist, New York. — "The factors that govern the course of security prices during the next several months are conflicting in their nature. On the one hand is the possibility of a moderate recession in industrial activity and the possibility that European developments will depress stocks. On the other side is the fact that earnings statements are likely to be extremely favorable and that stocks in general are selling low in relation to earnings on the basis of the present level of business activity."

* * *

Magazine of Wall Street, N.Y.—"The domestic and foreign factors are too uncertain to permit confident estimate, and technical clues for or against major advance remain indecisive. The odds appear to favor at least a year-end rally."

* * *

Brookmire Counselor, New York—"Some further market hesitation is not precluded, as the period of tax selling is not entirely over, but basic conditions in the main augur well for the year that lies ahead. As the market nears the end of the seasonal unsettlement that sometimes marks the week before Christmas, clients should avail themselves of prevailing irregularity to invest any additional cash—favoring dynamic types of stocks, and especially those that have had considerable market corrections."

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1929-38:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	189.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1939:												
Jan.	129.4	16.9	79.1	173.5	52.9	172.9	126.9	133.3	57.5	85.2	42.7	102.9
Feb.	129.4	16.4	77.6	175.9	54.3	175.3	130.4	133.6	58.2	85.3	42.9	104.1
Mar.	126.6	15.1	79.8	173.9	57.2	172.5	127.6	132.9	62.0	85.1	44.4	103.7
Apr.	111.1	11.5	71.4	162.9	35.1	169.2	116.9	119.3	58.9	83.7	41.9	96.2
May	112.5	12.0	78.9	170.2	55.0	176.3	120.4	124.6	60.8	84.7	43.2	99.2
June	114.2	12.4	77.4	153.2	56.2	179.2	124.7	128.8	60.8	85.0	43.7	97.0
July	118.0	12.7	75.0	154.0	59.8	182.1	124.8	129.5	59.2	85.0	42.7	97.3
Aug.	108.6	11.1	76.0	147.9	60.1	180.5	117.7	121.6	56.8	84.3	40.9	94.2
Sept.	132.8	19.1	99.8	164.6	71.9	170.8	108.5	145.3	53.8	78.4	42.2	100.1
Oct.	149.1	23.4	106.3	185.9	81.4	178.8	121.4	160.9	59.5	81.0	45.7	106.0
Weekly Figures:												
Nov. 2	149.1	25.0	106.2	187.6	83.6	179.0	128.3	162.1	60.5	83.2	45.8	107.8
Nov. 9	146.5	23.9	103.3	184.2	82.6	172.1	126.6	161.1	60.4	83.5	45.4	105.9
Nov. 16	139.3	22.7	96.2	169.9	82.8	174.7	125.5	156.1	59.2	84.0	44.4	102.9
Nov. 23	136.3	21.4	96.9	168.8	83.1	175.9	129.3	152.1	58.7	84.9	44.0	102.0
Nov. 30	137.1	21.1	101.9	167.9	83.1	175.2	128.4	150.9	59.4	85.0	44.3	101.5
Dec. 7	142.6	22.9	101.4	163.6	84.4	176.4	129.5	155.0	61.0	84.8	45.8	101.3
Dec. 14	143.5	23.5	102.5	166.4	84.8	180.2	128.1	155.3	61.4	84.4	45.9	101.8

*High and low for year from 1929 to 1938 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Dec. 19	124.93	118.08	86.37	30.75
Dec. 18	125.37	118.67	86.85	30.90
Dec. 16	124.72	118.45	85.79	30.96
Dec. 15	125.19	117.53	86.11	31.14
Dec. 14	125.17	117.33	86.66	31.07
Dec. 13	125.60	117.91	86.54	31.04
Month ago	122.93	116.82	87.82	30.19
Year ago	120.42	121.73	97.42	37.03
High, 1939	129.85	128.95	104.12	45.00
Low, 1939	97.75	100.35	79.59	21.07

Montreal Stock Exchange Averages

	10 Util	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
Dec. 19	68.0	90.5	83.0	146.17	94.89
Dec. 18	68.2	90.6	83.1	143.84	94.83
Dec. 16	67.8	90.0	82.6	142.06	95.46
Dec. 15	67.6	90.2	82.7	140.86	95.84
Dec. 14	67.8	90.5	83.0	143.71	97.26
Dec. 13	67.6	90.4	82.8	144.46	97.36
Month ago	66.1	86.0	79.4	124.30	97.79
Year ago	63.7	81.9	75.8	116.75	122.28
High, 1939	70.1	93.8	84.9	155.52	126.48
Low, 1939	55.9	83.2	62.7	50.78	86.66

Chem. Research Settles Suits

Cash Payments Adjustment of Gyro Process Ownership Ends Litigation

At a meeting on December 13, 1939, directors of Chemical Research Corp. accepted a settlement of the company's suit against Pure Oil Co. and members of the Patent Club. Shareholders gave directors authority to make a settlement at the last general meeting.

Under the terms of the settlement, Pure Oil Co. will surrender its 30% interest in Gyro Process Co. to Chemical Research. The latter company will then own 90% of Gyro Process stock, the balance of which is held by Alco Products Inc., a subsidiary of American Locomotive Co. Directors of Chemical Research are considering a plan to amalgamate with Gyro Process.

The Patent Club will cancel approximately $173,000 of debt owed by Gyro Process and, jointly with Pure Oil, will pay Gyro $508,000 in cash. In addition, Gyro gives to Standard Oil of New Jersey, Standard Oil of Indiana, Gulf Refining Co., Pure Oil Co. and Texas Corp. the right to operate the Gyro Vapor Phase Process without payment of royalties.

Gyro Gets Patents

Pure Oil gives to Gyro Process unlimited right to use all patents which have been subject to litigation, including the polymerization patents, and also the right to use, without cost, any improvements developed by Pure Oil, both catalytic and thermal.

Under the new contract with the Patent Club, Gyro Process has the right to sell its Vapor Phase Process to any other company on payment of 25% of royalties received to the Patent Club, instead of 50% as formerly required. It is expected that the cash settlement will more than cover current indebtedness of Gyro as well as the cost of the litigation. The suits first came into the Detroit court on June 2, 1938.

Honey Dew Ltd. Reports Sales, Earnings Up

Honey Dew Ltd., restaurant and soft drink chain, reports a gain of 15.7% in sales for November, first month of the company's year, as compared with the same month a year ago. As a result, the company was able to report a profit of $3,953 last month, before income tax, against a loss of $239 for the Nov., 1938. Comparative figures follow:

Sales and Earnings

	1939 $	1938 $
November:		
Sales	95,275	82,315
Profits	3,953	*239

*Loss.

Disher Steel Construction Pays $1 on Arrears

Disher Steel Construction Co. has declared a dividend of $1 a share toward arrears of dividends on its class A preference stock. Payment will be made Dec. 28, 1939, to shareholders of record Dec. 20. Last previous payment was 50 cents a share on May 2, 1938.

After allowing for the current payment, arrears amounted to $9 a share as at Nov. 1, 1939.

Jamaica Utility To Split Stock

Jamaica Public Service Directors Vote 3 for 1 Split —Good Earning Record

From Our Own Correspondent

MONTREAL. — Jamaica Public Service Ltd. directors have approved a split in the company's capital stock on a three-for-one basis. A meeting of shareholders will be held in Montreal, Jan. 8, to vote on the proposal.

At present the company has an authorized issue of 60,000 shares, of which number 45,000 are outstanding.

When this company was formed in 1928 it acquired outstanding common stock of Jamaica Public Service Co., which supplies the utility services on the Island of Jamaica. The old stock was exchanged on a basis of one share for three shares in the new company.

The holding company has always shown a well developed earning power, which of recent years has recorded a steady and even substantial rise, amounting to $3.14 a share in 1938. From Oct. 1, 1930, to the same date in 1935, Jamaica Public Service paid a dividend of $1 a share. The rate was increased to $1.50 in 1935-36 and again increased to $1.75 a share. The latter dividend prevailed until this year when the distribution was increased to $2 a share.

With earnings running better than $3 a share the company is in a position to increase the dividend.

Marketwise the company's stock is not especially active. However, there is a fairly steady volume of trading and the price shows relatively little fluctuation. The stock touched a low of 35½ this year last February and currently is selling at 40½ to 41.

Dom. Foundries Earnings Gain

Volume Higher This Year But Lower Prices Reduce Profit Benefit

Earnings of Dominion Foundries & Steel Ltd. for this year should show a slightly larger gross than in 1938 when the company earned $3.60 a share on its common, according to a letter sent to shareholders by C. W. Sherman, president. Volume of sales has been larger but prices somewhat lower this year. It is expected that the annual report will be ready about Jan. 20, 1940.

Mr. Sherman states that the company has spent substantial amounts for improvements in processing and increasing capacity this year to supply the demand for cold reduced quality steel. Contracts have been awarded for additional finishing equipment.

These expenditures have been paid from current earnings, leaving $1.1 million in cash working capital which the directors plan to maintain or increase.

Common shareholders of record Jan. 2, 1940, have been offered the right to purchase one new share of common for each 10 shares held at $15 a share. This privilege expires Jan. 30, 1940. Common shareholders will be notified after Jan. 2 as to the number of shares which they will be able to purchase under this offering.

Dominion Stores Sales Up 6.47% in 11 Months

Sales of Dominion Stores in the 11 months to Dec. 2 were up 6.47c over those of the corresponding period in the previous year. It is virtually assured, therefore, that sales for the entire year will show a moderate increase in 1939 over the previous year. In the four weeks ended Dec. 2, sales were up 4.79%.

Following are sales figures in the four week periods of the year to Dec. 2:

Monthly Sales
(Subject to final adjustment)

	1939 $	1938 $	Incr. %
Jan. 28	1,366,469	1,404,480	*2.71
Feb. 25	1,531,878	1,459,841	4.93
Mar. 25	1,680,272	1,472,091	14.14
Apr. 22	1,640,528	1,495,190	9.72
May 20	1,637,720	1,486,876	10.14
June 17	1,586,974	1,466,405	8.22
July 15	1,565,780	1,467,436	6.70
Aug. 12	1,423,805	1,344,634	5.89
Sept. 9	1,443,512	1,374,523	5.02
Oct. 7	1,501,147	1,451,111	3.45
Nov. 4	1,433,401	1,345,417	6.54
Dec. 2	1,464,535	1,397,617	4.79
	18,276,021	17,165,621	6.47

*Decrease.

Note:—In the period ended Jan. 28, 1939, 14 fewer stores were operated than in the 1938 period; Feb. 25, 16 fewer; Mar. 25, 34 fewer; Apr. 22, 43 fewer; May 20, 40 fewer; June 17, 38 fewer; July 15, 38 fewer; Aug. 12, 42 fewer (with 10 more meat markets); Sept. 9, 42 fewer (with 9 more meat markets); Oct. 7, 47 fewer (with 8 more meat markets); Nov. 4, 46 fewer (with 10 more meat markets); Dec. 2, 59 fewer (with 7 more meat markets).

Canadian Brokers Watch Service Charge Plan

A special committee appointed by the board of governors of the New York Stock Exchange has recently presented a report advocating certain changes in brokerage practices. Chief feature of this report is the recommendation that specific charges be made for certain services now given free by stock brokers.

Enquiry from officials of Canadian stock exchanges reveals that such moves have not been considered in this country. It is admitted, however, that the problems are practically identical in Montreal or Toronto and New York. Except for sporadic periods of increased activity, there has not been enough sales volume on stock exchanges for several years to support the organizations built up to give service to the investing public.

Thus, while Canadian stock exchange officers may not have come to any official decision on the matter of service charges, they admit an interest in efforts in New York to find some means of increasing legitimate revenues.

Specific Recommendations

The committee in New York which recently presented its report to the board of governors, made recommendations for specific charges which are summarized as follows:

1. Each safekeeping account would be charged a minimum levy of $1 for custodian services.

2. For collecting coupons for clients, a charge of 10 cents per coupon with a minimum of 25 cents for any customer.

3. For handling dividend claims on securities not in the office of the broker, ¼ of 1% of the dividends with the minimum at $2, unless dividends collected were less than $20 in which case the charge would be 10% of the amount collected.

4. On transfers of securities where documents in addition to power of attorney is required, a minimum of one cent per share and 10 cents per bond, with a minimum of $3 per issue. All other transfers, a charge of one cent a share and 10 cents a bond, with a 50 cents an issue minimum.

5. Customers would be charged the estimated cost for delivery of securities outside of the broker's office on order of the customer, by messenger, registered mail, express, or for picking up securities.

6. For a transcript of statements, 50 cents a sheet, with a minimum of $1.

Brokers have been accustomed to provide this type of service for clients without making any specific charge. It is said that the charges recommended would cover an estimated two thirds of the actual cost of providing the various services mentioned.

Pulp and Paper Industry

A.N.P.A. Urges Paper Saving

Again Stresses Need of Conserving Newsprint to Steady Market

From Our Own Correspondent

MONTREAL.—American publishers are urged by the American Newspaper Publishers Association to continue to conserve newsprint, just as if there had been an increase announced in the Canadian price for the first six months of 1940.

"Of course," the announcement goes on to say, "there has been an increase announced in the price of the United States mills. This is no time to let up in trying to eliminate all wasteful factors. Diligence by publishers will contribute to maintaining a reasonable market situation.

"Based on all the information that has reached us up to now, it seems that publishers generally are maintaining about the same ratio of news and advertising as prior to the war. This is important so as not to use newsprint abnormally or out of proportion."

Bowater's Pulpwood Shipment Returned

From Our Own Correspondent

MONTREAL. — Bowater's Newfoundland Pulp and Paper Mills is to be permitted to purchase a cargo of pulpwood which was shipped from Newfoundland on Sept. 3 and returned on Sept. 6 for reasons consequent upon the outbreak of war.

The shipment of 1,700 cords had been cut on crown lands and bought by Edward Lloyd Ltd. of England. Under Newfoundland law it is unlawful for the holder of any grant, lease or license of lands for timber or pulp purposes to purchase or manufacture timber cut on crown lands other than those defined in the grant, lease or license. In order to overcome this difficulty in this instance a special bill is being passed by the Commission of Government.

In return for the rights granted, the company is to pay a royalty of 50 cents a cord on the cargo.

Newsprint Stocks Rise in November

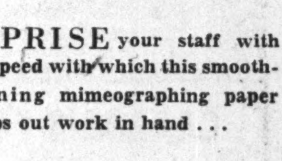
From Our Own Correspondent

MONTREAL. — Apparent North American newsprint stocks at the end of November totalled 695,963 tons. This contrasts with 670,632 tons at the end of October and 665,200 tons a year ago, according to the Newsprint Association of Canada.

Apparent total of publishers' stocks at the month-end was 414,076 tons, compared with 386,603 tons at October 31 and 419,785 tons a year ago.

Manufacturers' stocks were 281,887 tons at the end of last month, as against 284,029 tons the month before and 245,415 tons at the end of November last year.

SURPRISE your duplicating department some fine morning by presenting them with a stock of Script Mimeo Bond . . .



SURPRISE your staff with the speed with which this smooth-running mimeographing paper whips out work in hand . . .

SURPRISE your clients with the colourful smartness of your duplicated messages (Script Mimeo Bond comes in pure White, Blue, Pink, Canary, Buff, Green, Gold) . . . and

SURPRISE yourself with the actual economy of this Provincial Paper, made expressly for crisp, clean, fast duplicating work.

Order SCRIPT MIMEO Bond today—

Sold by leading paper merchants throughout Canada

If you would like a FREE Test Package of Script Mimeo Bond to try on your own Duplicating Work, write on your business letterhead to Provincial Paper Limited, Toronto, Ontario.

Insulating Sales Up Again

November Returns Put 1939 Total Well Above Last Year's Volume

From Our Own Correspondent

MONTREAL.—The sales of rigid insulating board in Canada, as reported by International Fibre Board Co., Building Products Ltd., and Donnacona Paper Co. to the Dominion Bureau of Statistics, continue to record an increase. During November, sales totalled 5,426,325 sq. ft., as against 4,506,584 sq. ft. the same month a year ago. The principal gain was in the sale of panel board.

Cumulative returns for the first 11 months of 1939 showed sales of 47.5 million feet, as against 45.6 million feet a year ago. Comparative returns follow:

November
(Returns in Square Feet)

Type	1939	1938
Panel	4,002,729	3,365,507
Plaster	510,861	566,554
Roof	546,741	311,197
Misc.	365,994	263,326
Total	5,426,325	4,506,584
11 Months Ended November		
Panel	35,868,008	34,490,272
Plaster	5,709,424	4,747,904
Roof	3,226,201	3,698,709
Misc.	2,717,392	2,690,969
Total	47,521,025	45,627,854

Brown Co. Plan Expected Shortly

From Our Own Correspondent

MONTREAL.—Final legal technicalities in connection with approval by the Securities and Exchange Commission of the reorganization plan for Brown Co. are reported to have been overcome and arrangements are now under way for canvass of stockholders to get the necessary approval from them. As the Reconstruction Finance Corp., which is advancing $10 millions in connection with the reorganization, already has approved the revised plan, only formal approval by the security holders is now necessary. It is expected that letters will be mailed to stockholders within the next month, outlining the plan.

Minas Basin Pulp Adding to Equipment

From Our Own Correspondent

MONTREAL.—Minas Basin Pulp & Paper Co., of Hantsport, N.S., is continuing its programme of improvement. The company will shortly install two grinders, four wet machines and two hydraulic presses, all scheduled to come into operation early in 1940.

Practically all of this company's output of groundwood pulp is under contract to the Scott Paper Co. in the States. Lately there has been a better demand for groundwood and higher prices have prevailed. As a result the company is improving its facilities with a view to securing increased production.

Rotogravure Paper Price Up in 1940

From Our Own Correspondent

MONTREAL.—International Paper Co. and Kimberly-Clark Corp. have announced to their customers that rotogravure paper contract prices have been increased $3 a ton for the first quarter of 1940.

Prices on rotogravure are announced usually on a quarterly basis similar to paper products other than newsprint. The price will be $76.50 a ton delivered in New York City for the first three months of 1940.

U. S. Advertising Linage Records Slight Gain

From Our Own Correspondent

MONTREAL.—Media Records Inc. report that advertising linage carried by newspapers in 60 American cities during November showed a gain of 0.9% as compared with the same month last year. Forty of the cities listed show gains; 19 show losses. There were four Sundays in November of each year.

A.N.P.A. Members Use More Newsprint

From Our Own Correspondent

MONTREAL.—Publishers reporting to the American Newspaper Publishers' Assoc. used 240,632 tons of newsprint during November. This contrasts with 257,578 tons in October and 234,026 tons in Nov. 1938.

For the first 11 months of 1939 A.N.P.A. members consumed 2,480,074 tons, an increase of about 60,000 tons over the like period of 1938.

International Power Co. Earnings Up This Year

From Our Own Correspondent

MONTREAL.—Operations of International Power Co. and its subsidiaries continue to reflect the upward trend evident since 1932.

It is known that profits are on a better basis than in 1938 when the company earned $7.47 a share on its first preferred and $1.90 a share on its second preferred.

The annual report, it is expected, will show working capital increased and some reduction in funded debt.

Carnation Co. Will Pay $2 on Common For Year

Carnation Co. has declared an extra dividend of $1 a share on the stock, payable in U.S. funds Dec. 19, to shareholders of record Dec. 15. Regular semi-annual dividend of 50 cents a share is payable Jan. 2, to shareholders of record Dec. 15. These payments will bring total disbursements for the year to $2 a share.

Court Names Liquidator European Electric Corp.

From Our Own Correspondent

MONTREAL. — H. G. Norman, Price Waterhouse & Co., Montreal, has been appointed permanent liquidator of European Electric Corp.

Voluntary liquidation and distribution of assets to stockholders were approved at a special meeting in October.

LOBLAW BONUS

Loblaw Groceterias Co. announces that all regular employees have again received a Christmas bonus. If the period of employment is for one year or longer, a week's extra pay is given; those whose period of employment is six months to a year, get one-half week's pay. Payment of this bonus was made about the first of December.

Merchandising Expands

Through its Dominion-wide departmental store and mail order organization, Simpsons, Limited serves Canada from coast to coast.

The business of Simpsons, Limited, in the current season, is continuing to expand and a new high record in the Company's history is within reach.

In 1938 interest requirements of these Bonds were earned over 4 times after depreciation.

Simpsons, Limited
First Mortgage and Collateral Trust
4¼% Bonds
Due December 1st, 1951
Price: 100 and accrued interest, to yield 4.25%

Mail order enquiries receive prompt attention.

36 King St. West
Toronto
Telephone EL. 4321

Wood, Gundy & Company
Limited

Newsprint Standing

(Based on returns of Newsprint Association of Canada)
(All figures in tons)

Production

	November 1939	November 1938	January-November 1939	January-November 1938
Canada	288,726	245,295	2,628,610	2,414,827
Newfoundland	30,359	29,644	281,728	241,649
United States	78,886	78,390	861,606	744,200
Total	397,971	353,329	3,771,944	3,400,676

Shipments

	November 1939	November 1938	January-November 1939	January-November 1938
Canada	287,869	264,421	2,596,582	2,290,524
Newfoundland	30,834	36,125	253,449	236,760
United States	81,410	76,278	866,790	738,603
Total	400,113	376,824	3,716,821	3,265,887

Mill Stocks on Hand

	Nov. 30, 1939	Oct. 31, 1939	Nov. 30, 1938
Canada	193,466	192,609	177,157
United States	13,399	15,923	20,702
Newfoundland	75,022	75,497	47,560
Total	281,887	284,029	245,419
United States publishers	414,076	375,507	419,785

ANGLO-CANADIAN
PULP AND PAPER MILLS
LIMITED
Manufacturers of
NEWSPRINT PAPER
CAPACITY: 600 TONS DAILY
OFFICES and MILLS at QUEBEC CITY
Direct Connection With Both Canadian Railways
Privately-owned Wharf on Tidewater

FRASER COMPANIES LIMITED
FRASER PAPER LIMITED
RESTIGOUCHE COMPANY LIMITED
Manufacturers of
LUMBER SULPHITE PULP PAPER BOARD
GROUNDWOOD PRINTING PAPER
BLEACHED SULPHITE PAPER
"RESTICOSE" RAYON PULP
Executive Office: Dominion Square Bldg., Montreal, P.Q.
General Office: Edmundston, New Brunswick

A Good Name
For over 70 years the name Maclaren, in the Ottawa Valley, has stood for fair dealing and a quality product.
Newsprint—Groundwood
270,000 h.p. Hydro Power Installed capacity
MACLAREN POWER & PAPER COMPANY
Maclaren-Quebec Power Company
The James Maclaren Company Limited
BUCKINGHAM, QUEBEC

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que.
Pine Falls, Man.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp
News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Bond Markets

Municipal Financing Feature of Markets

Little Trading in High Grade, Industrial or Corporation Issues as Holiday Season Approaches—Prices Remain Near Previous Levels

In recent weeks there has been considerable activity in the municipal new issue market. Prices received for the various debenture issue have been very favorable to the municipalities. Bidding has been keen.

In addition to this feature, buyers of industrial bonds were offered $2.5 millions of 5% bonds of Bowater's Newfoundland Pulp and Paper Mills. Otherwise markets proceeded at a leisurely pace and there appears little prospect that activity in the high-grade market will revive until the New Year.

On the approach of the holiday season trading has practically dried up, as is its custom. There was sufficient buying during the past week, however, to maintain prices of high-grade bonds at the previous week's level. Industrial and utility liens fluctuated in a narrow range, with little interest in evidence.

Dominion treasury bills strengthened in price with the issue sold Dec. 15. Yield declined to 0.806% from 0.831% on the preceding issue, sold Nov. 30.

* * *

War Finance

For many weeks there has been considerable speculation as to when the Dominion Government will offer its first war loan for public subscription.

One reason for rumors that have arisen is that the Dominion Government has been preparing the machinery for flotation of a loan. This is because the Treasury Department and the Bank of Canada believe in preparedness and not because they have any immediate intention of floating a loan.

Consultations have been held with financial interests and investment dealers. Committees have been set up all over the country to study procedure.

No one can say when the first loan will come. It is almost certain that the Treasury Department itself does not know. The timing will depend on numerous factors, such as the need of the Government for funds, the level of business activity and the strength of the bond market.

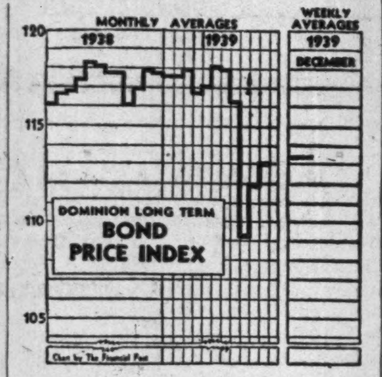
Financial circles expect the first loan to be floated in the ordinary manner, although this depends in part on the size of the loan itself. Later an attempt will be made to attract the savings of the "small man." In fact, sales literature is likely to include a patriotic appeal. This aspect of the situation is receiving study.

* * *

Bond Index

DOMINION OF CANADA
Long-term Bond Index

	Latest week Dec. 8-14	Preceding week Dec. 1-7	Weekly average year ago
Price	113.2	113.2	117.9
Yield	68.8	68.7	61.5



Can. Terminal Systems Buys in Debentures

From Our Own Correspondent

MONTREAL.—Canadian Terminal Systems is willing to purchase its 6% five-year debentures, which matured in 1936, at 10 cents on the dollar.

No official offer has been made, but a number of debenture holders have written the company to see if it would be willing to purchase their holdings. The company has replied it cannot do for one debenture holder what it would not do for them all and has offered 10 cents on the dollar.

Officials point out the company has not recommended acceptance of the offer. They feel that in two or three years the company may be in a position to pay more.

No interest payments have been made on the 6% first mortgage income bonds. However, there has been some improvement in securities held by Prudential Trust Co. for the benefit of first mortgage bondholders.

Mt. Royal Hotel In Foreclosure

Metropolitan Life Acts on First Mortgage — New Plan Forthcoming

From Our Own Correspondent

MONTREAL.—Metropolitan Life Insurance Co. of New York has initiated court action in Montreal on a first mortgage it holds on the Mount Royal Hotel. The insurance company claims $4,422,931, including $3,560,000 as the principal amount of the first mortgage; $437,000 as exchange; $189,000 as indemnity, and other amounts for interest, and interest on interest.

Decision of the Metropolitan Life to foreclose on its mortgage, follows the recent rejection by a special meeting of the company's share of the reorganization plan sponsored by the directors.

Wanted Some Action

Early in November the insurance company notified the Mount Royal Hotel Co. of its intention to foreclose unless "a special meeting of the stockholders was called and held not later than during the week commencing Nov. 20, 1939, to consider the approval of some reorganization of the hotel company." An extension of time was granted to Nov. 30. The plan put forward by the directors was defeated by an opposition group headed by A. Stewart McNichols, chairman of the Shareholders' General Protective Committee.

Following the issuance of the writ, A. L. Caron, president of the hotel company, stated that the foreclosure proceedings were a direct result of the activities of the Shareholders' General Protective Committee.

McNichols Has Plan

The General Protective Committee was informed by the mortgagee on Dec. 15 of its intention to take legal action, according to Mr. McNichols. At the same time, it was indicated to Mr. McNichols that the mortgagee would welcome further suggestions for reorganization, put forward by a body able to command the support of a substantial block of shareholders. At any time prior to the actual sale, any arrangement which would protect the Metropolitan Life's interests would be considered.

Mr. McNichols states that his committee expects to put forward a new plan of reorganization in the near future.

Canada Electric Co. To Float Bond Issue

From Our Own Correspondent

MONTREAL. — Canada Electric Co. has received approval of the Nova Scotia Public Utilities Board to issue $1.4 million of 4% 30-year bonds to sell at a price to yield not less than 96 and an issue of 3,000 common shares each of $100 par value.

Proceeds are to consolidate the company's indebtedness.

It is expected that the bonds will be publicly offered shortly. Various negotiations are going on, but the make-up of the syndicate probably will not be known until some time next week.

Bond Sales

Dominion Treasury Bills

With the sale of $25 millions of 90-day Dominion treasury bills on Dec. 15, yield declined to 0.806% from 0.831% on the previous issue, dated Dec. 1, and maturing Mar. 1. The Dec. 15 issue was sold at an average price of 99.79944, and replaces another $25 million issue, leaving bills outstanding at $155 millions.

Owen Sound, Ont.

Sale of $53,002 of 3½%, 1-20 serial debentures of Owen Sound, Ont., has been made to A. E. Ames & Co. at 101.85, representing a cost basis to the city of 3.05%.

Following are tenders submitted:

A. E. Ames & Co.	101.85
Midland Securities Corp.	101.618
Burns Bros. & Denton	101.59
Dyment, Anderson & Co.	101.50
Cochran, Murray & Co.	101.38
Mills, Spence & Co.	100.82
Dominion Securities Corp.	100.767
Wood, Gundy & Co.	100.75
R. A. Daly & Co.	100.68
Fry & Co.	100.52
Harris, MacKeen, Goss & Co.	100.443
Harrison & Co.	100.19
F. L. Craig	99.13
Fairclough & Co.	99.00

NEW DIRECTOR

C. F. Basil Tippet has been appointed to the board of directors of Western Canada Flour Mills Co. Mr. Tippet is president of Howell Forwarding Co., Eastern Forwarding Co., Howell Warehouses Ltd. and Tippet-Richardson Ltd.

Bowater Issues Block of Bonds

Will Cover Cost of Plant Extension, Current Earnings Up

From Our Own Correspondent

MONTREAL. — Dominion Securities Corp. and Collier Norris & Henderson are offering $2.5 millions of Bowater's Newfoundland Pulp & Paper Mills 5% first mortgage bonds, a series of 1940, at 98, to yield 5.13%.

This financing is to provide capital for certain obligations under Bowater's agreement with the Newfoundland Government.

Under this the company undertook to increase the capacity of its existing sulphite pulp plant by 30,000 short tons yearly. This work is proceeding and, it is expected, will be completed by the end of 1940. Aggregate expenditure on this is estimated not to exceed $3.3 millions.

Upon completion of financing, Bowater's will have outstanding $9,842,000 of first mortgage bonds; £3,726,000 of mortgage debentures; £2,080,000 of 5% preference stock and £800,000 of common stock.

The prospectus covering the current financing indicates that both sales of newsprint paper and profits for the current year have shown an appreciable increase over 1938.

Current Earnings Larger

For the 10 months ended Oct. 31, 1939, sales totalled 126,694 tons, as against 113,199 tons for all of 1938. Gross trading profit for the 10 months period at $1,659,425 compared with $1,275,394 in 1938. After providing for interest charges, depreciation and depletion, there was a surplus for the first ten months of 1939 of $134,388. For the twelve months ended Dec. 31, 1938, there was a deficit of $482,819 after similar charges. However, it is noted that for the current year the amount set aside for depreciation and depletion per ton of output has been reduced by about $1 a ton, a factor influencing net returns for this year.

Asbestos Corp. Retires Bonds

Funded Debt Completely Eliminated With Redemption of $250,000 Block

From Our Own Correspondent

MONTREAL.—Asbestos Corp. announces that the balance of its outstanding bonds was paid off this week. Redemption covered $250,000 of 4% series C first mortgage bonds, due July 2, 1942. The bonds were redeemed at 100½ and accrued interest.

Outstanding capital structure of the company, as a result of the elimination of the funded debt, now consists solely of no-par value common stock, of which 600,000 shares are outstanding.

Originally the company issued $1 million of short term bonds. Proceeds were used to retire part of the existing funded debt. During 1938 the Series "A" and Series "B" bonds, aggregating $250,000, and $250,000 of the Series "C" bonds were retired, leaving $500,000 Series "C" bonds outstanding at the end of last year. Early this year a block of $250,000 of the Series "C" was redeemed, and the balance this week. Thus for the first time the present company, incorporated in 1925, has no bonded debt.

It is understood that current business, while satisfactory, has not been quite as good as in 1938.

Aluminum Power Co. Increases Stock

From Our Own Correspondent

MONTREAL. — Aluminum Power Co. application to increase its authorized and issued capital stock from 20,000 to 60,000 shares has been approved by the Provincial Electricity Board. The additional stock will be sold to the parent company, Aluminium Ltd., to net the Aluminum Power Co. $200,000.

The stated purpose of the additional stock issue is "to further its corporate purposes and particularly to improve the position of its bondholders and creditors by adding to its permanent assets."

It is understood the Aluminum Power Co. may make certain changes in the equipment at the Chute-a-Caron plant which will bring about a moderate increase in the capacity.

Sterling Coal Co. Bond Exchange is Ratified

Bondholders of Sterling Coal Co., at a recent special meeting, ratified the issuance of new 6% first mortgage bonds, due 1945, for the 6% issue which matures Jan. 1, 1940. The new bond issue is to be limited to $480,000 and the exchange will be on a par for par basis. New bonds are to be payable in Canadian funds only, whereas the existing issue is payable in Canada, New York and London funds.

Bell 'Phone Calls Bonds

$30 Millions of 5's to be Replaced With Lower Coupon Issue

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada has called for redemption on March 1 next all of its outstanding series "A" 5% first mortgage bonds at 105 and accrued interest. Payments will be made at the option of the holders in Canadian or U.S. funds.

The company also announces that provision has been made for advance payment. After Dec. 15, 1939, the holder can receive the redemption price of 105 together with interest up to March 1, 1940.

At present the company has outstanding $30 millions of the series "A" bonds. They were issued March 1, 1925, and ordinarily would mature in 1955. However, the trust deed made provision that the bonds could be called on and after March 1, 1940.

Sold Issue in July

Provision for the refunding of these bonds was made last July when the Bell Telephone Co. sold privately $25 millions of 25-year 3¼% first mortgage bonds. Additional funds necessary for the redemption, amounting to approximately $6 millions, will be provided to the extent of $3 millions by the Bank of Montreal at 2¾% on a one year note which may be converted later into notes maturing Aug. 1, 1947, at the same rate of interest. The balance of the funds required will be provided from the company's treasury.

Refunding of the series "A" bonds will mean the saving of $600,000 in annual interest charges, equivalent to approximately 75c. a share on the company's common stock. As the new bonds are payable in Canadian funds only, exchange risk on a portion of the funded debt will also be eliminated.

The company has authorized the Montreal Trust Co. to register 675 additional shares of its capital stock, bringing the number outstanding to 808,796.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Robt. Simpson ..	*5%	1952	Jan. 1	105
Riordon Pulp ...	*6%	1942	Dec. 31	105
Eastern Car ...	‡6%	1952	Jan. 1	105
Preston E. Dome	6%	1943	Jan. 1	103
Can. Foundries ..	6%	1942	Feb. 2	110
Mississippi R. Pr.	†5%	1951	Jan. 1	105
Wpg. Elec.	*4½%	1960	Jan. 2	102½
Can. Crushed Stone	•6½%	1944	Dec. 31	...

Drawn by lot for sinking fund: †$151,500; ‡$35,000; °$86,300; •$19,400.
*All outstanding balance.

Your Investments

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Steel of Canada

Can you tell me how Steel of Canada's common stock is regarded? I am thinking of making a small investment in this security.

Steel of Canada is one of the principal primary iron and steel producers in this country. It has had a long and favorable financial and management record. The company has a well established earning power and at present is operating at capacity. Indications are that earnings for 1939 will be on a higher basis, or at least as high, as in 1938. The common is regarded as a good foundation stock in any investment portfolio.

Crown Cork & Seal

Will you please be good enough to let me have your views on Crown Cork & Seal Co.? I would like to know how this enterprise is regarded.

Crown Cork & Seal Co. manufactures and sells bottle caps to the beverage industry and is the largest unit in its field in Canada. Its record of management, earnings, etc., has been a favorable one. In 1938, for example, the company earned $2.37 a share, as against $2.09 in 1937. This was more than sufficient to cover the dividend and extra on the stock, a total of $1.25 a share. At present the company is paying a dividend of 40 cents a share quarterly. For the current year sales have maintained the moderate increase noted earlier in the year, while profits are running at approximately the same level as in 1938.

Industrial Acceptance

I am considering purchasing some of the class A stock of Industrial Acceptance Corp. and before any action along these lines, I would like to have your opinion on this company.

Industrial Acceptance Corp. is one of the largest companies engaged in commercial financing in Canada. Its volume of business has shown a wide expansion in recent years, increasing from $6.6 millions in 1933 to $33.8 millions in 1938. Earnings have kept pace and last year income on the class "A" stock was equal to $5.67 a share. This is the highest ever reported by the company. For the first seven months of this year earnings were lower than for the like period of last year, but were sufficient to about cover the full year's dividend requirements of $2 a share on the class A stock. Business during the early part of the year was substantially below the previous year, but recently there has been some improvement. Since increased employment and increased wages appears in prospect, the management expects volume to reach a satisfactory level.

Shawinigan

Will you please let me have your views on the outlook for Shawinigan Water & Power Co.? I hold a few shares in this company.

Shawinigan Water & Power Co.'s position at the moment is quite satisfactory. The company has reported a moderate insurance in gross earnings this year, while net earnings up to the end of September were more than adequate to cover the common dividend. Indications are that the report for 1939 will show a broad expansion in all divisions. There is also the possibility of an increase in the dividend on the common stock at such time as the company has completed financial arrangements for the LaTuque development. On the whole the outlook for the company is satisfactory, with prospects for higher earnings and eventually increased dividend distribution.

Burlington Steel

As a subscriber to your paper we are anxious to obtain your advice as to the holding of the common shares of Burlington Steel.

Recent reports regarding Burlington Steel Co.'s operations state that it has booked sufficient orders to operate at full capacity for the balance of 1939. Shipments for September this year exceeded any previous month in the history of the company. Operations for the early months of 1939, however, had been down about 10% from a year ago, so that it is not certain yet whether or not earnings for the whole year will exceed last year's level when 65 cents a share was earned on the common stock.

This company has only published complete reports for the past three years which does not give a very good record of earnings from which to judge its prospects. Figures available, however, indicate a considerable fluctuation in earnings from year to year. This company's chief market is with the construction industry. Industrial building contracts for October were one exception to the general rule that less activity was shown in building and construction in Canada than prevailed a year ago. If this tendency continues, it would be reflected in more favorable operations for Burlington Steel.

At current prices the stock is not far from peak levels for the past two years, although still considerably below 1937's high of $19 a share. The company's financial position is good and it has established a regular dividend rate of 60 cents annually. To maintain this rate of dividends requires a scale of earnings which has only been exceeded in two of the past seven years, namely 1937 and 1938.

Canadian Vickers

We shall be obliged if you will favor us with your opinion of Canadian Vickers preferred shares, Is this company likely to obtain much business as the result of the war?

It is difficult to say at this time the extent to which Canadian Vickers may benefit by war conditions. While there have been great expectations of war orders, so far the orders have failed to materialize; at least not to the extent anticipated. Canadian Vickers, however, is sharing in a number of airplane orders which can be directly attributed to the war. It also has an interest in Canadian Associated Aircraft which is handling a British Government contract for bombers. Its shipbuilding facilities, on the other hand, have so far not been put to use, while the disruption of shipping has made a limited amount of business in the drydock and ship-repairing division.

This company is in need of financial reorganization. The matter has been under consideration for some time, but so far no plan has been formulated. The company is handicapped by having fixed charges, which have proved rather burdensome because of the cyclical type of business handled by the company. In the last seven years bond interest has not been earned in any one year after depreciation, while the charges have been met three times before depreciation. This is after taking into consideration the fact that the company received a subsidy of $105,000 under the Drydock Act, which amount is within $45,000 of meeting full interest requirements. There are over $70 arrears of dividends on the preferred stock. Unless there is a very radical change in the volume of business handled by the company and, in turn, earnings, it is obvious that there will have to be a financial reorganization to place the company on a sound basis.

Dominion Bridge

Please be good enough to let me have a report on Dominion Bridge Co. I have been watching this company's stock for some time but would like to have your views on it.

Dominion Bridge is the largest and financially soundest company in this particular field. There has been a fair amount of work available for the company in the past three years, though it has been necessary for it to call upon reserves from time to time to pay the present dividend. However, this is not considered serious. The company is well managed and is in a position to take advantage of any developments in the current war and, because of its exceptionally strong position, is assured of a good share of the peacetime business. As a semi-investment, the stock of this company is well rated.

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The First Mortgage 5% Bonds, Series of 1940, referred to herein, are being offered in Canada, but not in the United States of America. This advertisement is not, and under no circumstances is to be considered as, an offering of any of these Bonds for sale in the United States of America or the Territories or the Possessions thereof, or an offering to any resident of such places or a solicitation therein of an offer to buy any of these Bonds.

NEW ISSUE

$2,500,000

Bowater's Newfoundland Pulp and Paper Mills
Limited

(Formerly "International Power and Paper Company of Newfoundland Limited")
(Incorporated under the laws of Newfoundland)

First Mortgage 5% Bonds, Series of 1940

To be dated January 1, 1940 — To be due January 1, 1968

Bonds of the Series of 1940 are to be payable principal, half-yearly interest thereon (January 1 and July 1) and redemption premium, if any, in lawful money of Canada in Montreal or Toronto, at the option of the holder: are to be redeemable, in whole or in part, at the option of the Company, or for sinking fund purposes, at any time prior to maturity, on at least 30 days' prior notice, at the following percentages of principal amount with accrued interest to the date fixed for redemption; at 103% if redeemed on or before January 1, 1946, at 102¼% if redeemed thereafter and on or before January 1, 1952, at 101½% if redeemed thereafter and on or before January 1, 1958, at 100¾% if redeemed thereafter and on or before January 1, 1964 and at 100% if redeemed thereafter to maturity; and are to be available as coupon bonds, in the denominations of $500 and $1,000, registerable as to principal only.

Trustee: The Royal Trust Company, Montreal

Sinking Fund

The Company is to covenant in the Supplemental Indenture to be dated as of January 1, 1940, to pay to the Trustee as a sinking fund for the benefit of the Bonds of the Series of 1940 on or before January 1 of each year, beginning January 1, 1941, an amount calculated initially, and, if required, adjusted from time to time, to provide for the retirement, by January 1, 1968, of $1,875,000 in principal amount of Bonds of the Series of 1940. In lieu of the whole or any part of any sinking fund payment, the Company may purchase and deliver to the Trustee for cancellation, Bonds of the Series of 1940 to be taken at the redemption price thereof, exclusive of accrued interest, in effect on such sinking fund payment date. Moneys paid into the sinking fund shall, as far as possible, and, except as provided in the Trust Deed, be applied by the Trustee in the redemption by lot of Bonds of the Series of 1940.

In the opinion of Counsel, these Bonds will be a legal investment for Insurance Companies registered under The Canadian and British Insurance Companies Act, 1932 (Dominion) as amended

A descriptive circular is available upon request.

PRICE: 98, to yield 5.13%

We offer these Bonds if, as and when issued by Bowater's Newfoundland Pulp and Paper Mills Limited, subject to the approval of all legal matters relating to the creation and issue of the Bonds by Messrs. Meredith, Holden, Heward & Holden, except that such Counsel will rely upon opinions of local Counsel for the Company with respect to all legal matters pertaining to franchises, titles, conformity to local laws of Newfoundland and the security created by the Trust Deed.

Subscriptions will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close subscription books at any time without notice. Trustee's Interim Receipts are expected to be available for delivery in Montreal and Toronto on or about December 27, 1939.

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Collier, Norris & Henderson Limited
Royal Securities Corporation Limited
Bell, Gouinlock & Co., Limited
Nesbitt, Thomson & Company Limited
Hanson Bros. Incorporated
Cochran, Murray & Co., Ltd.
Green, Ellis & Anderson
L. G. Beaubien & Co., Limited
Burns Bros. & Denton Limited
Midland Securities Limited
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R. A. Daly Co., Limited
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December 20, 1939.

The statements contained herein are based upon information which we believe to be reliable but are in no event to be construed as representations by us.

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TORONTO, DECEMBER 23, 1939

The Financial Post Editorial Platform for Canada

Winning the war has become the focal point for national and personal effort in Canada. This requires full mobilization of the nation's material and spiritual resources. To the fullest degree this should be obtained by individual effort, freely made. Strong national leadership will inspire service and sacrifice that will reduce the need for regimentation and compulsion.

The Financial Post believes such objectives require:

1. *Strengthening cabinet leadership by drawing upon Canada's best executive brainpower irrespective of political considerations.*
2. *Elimination of public and private waste.*
3. *Pay-as-we-go financial policy.*
4. *Planning the war effort with the post-war as well as the emergency needs in mind.*

In achieving these objectives the spirit of sacrifice and unity in Canada can be used in finding sound, long-term solutions to problems left unsolved in the idle days of peace.

Christmas, 1939

To most of us this can hardly be a Merry Christmas.

Many of us have friends or relatives on active service. People we know intimately are in momentary fear of being bombed to death.

Above all there is the ghastly knowledge that a score of nations with a total population of 1,310,866,408 people—two thirds of all the people in the world—are at war with each other.

But if there is little cause for merriment there is at least hope.

Most of the billion or more people whose countries are at war are more eager than ever before to find a way out of the present death struggle. Most of them are prepared to make some at least of the sacrifices necessary to bring peace on earth. Most of them are more than ever willing to find ways and means of bringing about the millennium which shepherds talked about 2,000 years ago. This is probably true even for those to whom the celebration of Christmas is denied by governmental decree.

The hope of Christmas, 1939, is that men of goodwill are even now searching with unparalleled earnestness and sincerity to find ways and means of bringing the world, at the end of this struggle, within sight of the peace envisioned on the first Christmas day.

What Sir Robert Learned

Sir Robert Borden's memoirs make clear that he found the years 1914-1918 hard and bitter ones. He learned then that it is impossible for a prime minister to keep in track of the business of all the departments under him. "No human being," he wrote in his memoirs, "could possibly keep in touch." He learned of "unfortunate and discreditable transactions" only when they had been exposed for all to see.

And there were many such transactions to be exposed. The Opposition—then the Liberal party—exposed some of them. In his memoirs Sir Robert bespoke his sorrow over what came out. He said:

> "It is the ill fortune of every government in time of war to be assailed by unworthy men with every possible fraudulent device and scheme for the purpose of profiteering during a national emergency at the expense of the country's resources."

These experiences of Canada's last wartime prime minister are recalled by Grant Dexter in a series of articles in the Winnipeg Free Press.

Sir Robert Borden's response to revelations of patronage and inefficiency was to dismiss ministers and read members out of the party.

* * *

Canada's present wartime prime minister, Hon. W. L. Mackenzie King, may expect also to have bitter experiences as bungling and political favoritism are exposed from time to time. He has at the very beginning of the war put a ban on patronage in war contracts and appointments. There is evidence that the ban has not been entirely effective, but the public will be disposed to overlook minor incidents that may be in part due to unavoidable confusion of getting so much done in so short a time. But the public will not overlook or forgive any major instances of inefficiency or political patronage.

Moreover, it is difficult to understand why the Prime Minister continues to lend his endorsation to the weaknesses and mistakes of the Mackenzie regime in the department of National Defense—an endorsation he effectively gives by retaining Mr. Mackenzie as one of his trusted, responsible ministers.

It is true today, as it was in Sir Robert Borden's time, that no human being in the office of Prime Minister can possible keep in touch with every phase of the work in every department under him. But that is true of every big business as of every government. The right way to meet such a problem is to make certain that each department is in the hands of a competent, trustworthy and zealous minister as administrator.

In the past Mr. King has on more than one occasion shown himself very shrewd in selecting good men for big jobs. He has made some excellent appointments to many of the key $1-a-year jobs in the war programme. He could greatly strengthen his war cabinet and ensure a more businesslike effort if he would strengthen his cabinet by the addition of more men of tried ability to take over important jobs and help him in the organization of the campaign for victory in the war.

If he were to take this important step now, Mr. King could save the country from the perils of a fusion government and himself from the hard and bitter experiences of Sir Robert Borden.

F. C. B.

We nominate as part of Canada's war effort, a Form Control Board.

F.C.B. need not have a large staff—one or two good men would suffice. But it should be armed with sufficient authority to scrutinize and review the endless new forms and questionnaires required of business by various units of Canada's new alphabet army.

F.C.B. should be given authority to enquire whether or not the tens of thousands of questions now being asked of businessmen, of investors, of financial organizations, are essential; whether these could be asked in any simpler, less irksome form, whether proper use is being made of the information when it is collected.

Take, for example, Form BDE—the six-page perpetration of the Foreign Exchange Control Board which must be filled out each month by any firm having special export-import licenses, or licenses authorizing the use of foreign currency bank accounts with a foreign, parent, subsidiary or associate company. It will take one man in a typical Canadian firm, at least two days each month to compile this information. It will take a regiment of clerks at Ottawa to tabulate this information and check on its accuracy.

No one wishes to be unreasonable about the inquisitiveness of wartime control boards, if there is assurance that this inquisitiveness is kept to a minimum in amount and achieves the maximum in usefulness.

A form control board might do a valuable wartime job in ensuring that these objectives are achieved.

Salvage at Ottawa

It is encouraging to learn from our Ottawa correspondent that a "salvage corps" is at work to reclaim unused men and machines from certain departments of government and redirect them into the war effort.

In the last war, thousands of civil servants and millions of dollars of machinery were acquired to meet the needs of war effort. At the same time, unused brainpower and equipment lay fallow in departments not directly busy with the national emergency.

The new salvage plan which it is claimed has saved $300,000 in machinery purchases alone, should be extended to every community in Canada where there are government offices, and not restricted merely to Ottawa.

For every day brings added emphasis to the need for a drastic retrenchment in peacetime expenditure if we are to finance this war on anything approaching a pay-as-we-go basis. Already the 12-month total of $315 millions as the present estimate of wartime expenditure has been upped by $48 millions to include the air-training programme outlined by Prime Minister King on Sunday. This tremendous burden could be eased considerably if a concerted effort were made to reduce the $550 millions peacetime budget which this country was shouldering at the time war was declared.

As C. H. Carlisle, president of the Dominion Bank, stated at the annual meeting recently: when governments are demanding great sacrifices from business and from individuals "to the point of challenging the existence of individual ownership," it is "imperative . . . that waste of every kind be eliminated and economies discovered and enforced."

The Witness Against War

No one will question that many of the United Church ministers who signed the recent "Witness Against War" declaration were actuated by the highest motives. They think war is unnecessary and opposed to Christian doctrine. So it is. The men and women who are making sacrifices to go overseas, the citizens who are footing the bills, will agree with them in that view.

But there is a difference between holding such an opinion and signing a declaration seeking to mobilize opposition to the war. Canada did not will this war but it has the war on its hands and it must see it through. It must see it through as a united nation with the support of every citizen.

The most important thing about the "Witness Against War" did not appear in the declaration, which was run as a letter to the editor of the United Church Observer. It was the communistic shadows lurking in the background. Articles in the last two issues of The Financial Post outlined clearly the figures that cast this shadow.

These facts among others were brought out as a result of the investigations conducted independently by The Financial Post.

1. The chief sponsors of the pacifist declaration and a large number of the signers were members of the "Fellowship of Reconciliation."

2. The Fellowship of Reconciliation has been labelled as "a radical-pacifist organization employing Christian terms to spread communistic propaganda."

Prominently identified with its work have been some of the most notorious of American Reds.

3. Several of the moving spirits in the "Witness Against War" were active in the "Fellowship for a Christian Social Order."

4. This is another organization that has attracted left-wing extremists—apostles of revolutionary action to achieve a new social and political order.

5. A former moderator of the United Church, Rt. Rev. Richard Roberts, who was one of the signers of the "Witness Against the War," endorsed in 1936 a book called "Towards the Christian Revolution."

6. Included in this volume were inflammatory articles calling for revolutionary action, if necessary, to bring about a Marxist-Communist state on the lines of Soviet Russia, whose social and economic system was presented as an ideal.

It will occur to the average intelligent person that there is something foggy about the thinking of men who can, on the one hand, foster the doctrine of revolutionary activity (which implies bloodshed and murder) to set up a communistic state while opposing the use of force for the defense of one's country and one's liberties.

* * *

No doubt most of the ministers who signed this declaration would protest most volubly if they were accused of being Communists. In fact several of them have taken pains to say that they do not hold communistic views.

No doubt it would be difficult to get one of them to admit that he approves of communistic aggression either of the Red (or Soviet) variety or of the Brown (or Nazi) variety.

No doubt most of them would assert most violently that they were seeking merely to set forth a Christian rather than a communistic point of view.

However sincere such statements might be, the fact remains that these men, in wartime, have issued a statement that cannot help at all in promoting the unity that is necessary for victory against the forces of evil. And in doing it they were linked with influences rooted in the soil of revolutionary Marxism.

Members of the congregations of the ministers concerned have a right to demand a clear-cut statement from their pastors as to the nature of their association with the two leftist Fellowships.

Clergymen who innocently joined these groups or signed the declaration without realizing the influences in the background should resign from these bodies and make a public declaration of their stand on communistic activities.

The Canadian Editorial of the Week

Away From Extremism

Regina Leader-Post

While it cannot be said Canadian municipal elections of late have offered specific trends of political likes and dislikes in the broader provincial and national fields as do British municipal elections, they can be regarded as a barometer of content or discontent.

When a town or city swings one way or the other, and that swing is purely an isolated event, a specific local cause may be to blame. When, over a series of years, a goodly number of municipal elections reveal a definite swing in one direction, it is safe to say the general feeling of the population is expressed by their markings on ballots.

Western Canada has passed through trying times, and municipal councils have not escaped the uncertainty of the future as reflected in the mind of the average voter. Radicals have found the path toward municipal objectives greatly smoothed, and it has been a rare council that has not found its decorum ruffled by the type of mind that forcefully expresses opinions about everything in general, including the much maligned bondholder, many under this category being individuals paying civic taxes and carrying heavy responsibilities.

Economic improvement, slow in setting in, has gained momentum as crop conditions have improved on the prairies. As a result of improvement the western voter has taken heart and is beginning to realize he has an equity in civic affairs that requires protection.

The result has been gradual elimination of the extreme type of mind from municipal councils and other administrative bodies over much of the prairies. Calgary and Edmonton have practically eliminated Social Crediters from municipal authority; Saskatoon has rejected radical contenders election after election; Regina has declared for moderate control; Moose Jaw is simmering down to a more definite type of council, and Winnipeg is now regarded as more secure against extremism.

All this does not imply that economic and social conditions are perfect on the prairies, but it does seem to mean that the municipal voter is taking a sensible view of civic affairs and is seeking level heads for the various offices over which he has control.

Editorials in Brief

If the Edmonton Journal's denial of Col. George Drew's "tin pot navy" reference ever catches up to the wave of editorial indignation that arose therefrom, the Colonel's political stock should start climbing again.

His recent western trip added substance to the view already held in some Conservative circles that the Leader of the Opposition in Ontario is the heir-apparent to the federal Conservative leadership.

Many Conservative stalwarts are disappointed with the leadership now being given the party by Dr. Manion. They foresee his defeat at the next Federal election. This would leave an opening for a new leader such as the up and coming Col. Drew—so it is argued.

* * *

Among scores of Canadian municipalities which have gone "over the top" in their community Red Cross campaigns, none is more elated than Three Rivers. A quota of $8,300 was almost tripled for an amount exceeding $23,800.

Citizens of Three Rivers have been concerned lest the fact that they re-elected Mr. Duplessis to office on Oct. 25 be misinterpreted to mean that they were opposed to Quebec's active participation in the war. The magnificent result of the Red Cross campaign reaffirms the fact that no community in Canada is more heartily behind Canada's war effort than this thriving and rising industrial centre on the banks of the St. Lawrence.

Sayings of the Week . .

"Anyone who is taking an effective part in Canada's civil occupation must not feel that he is shirking."—*Hon. T. A. Crerar.*

* * *

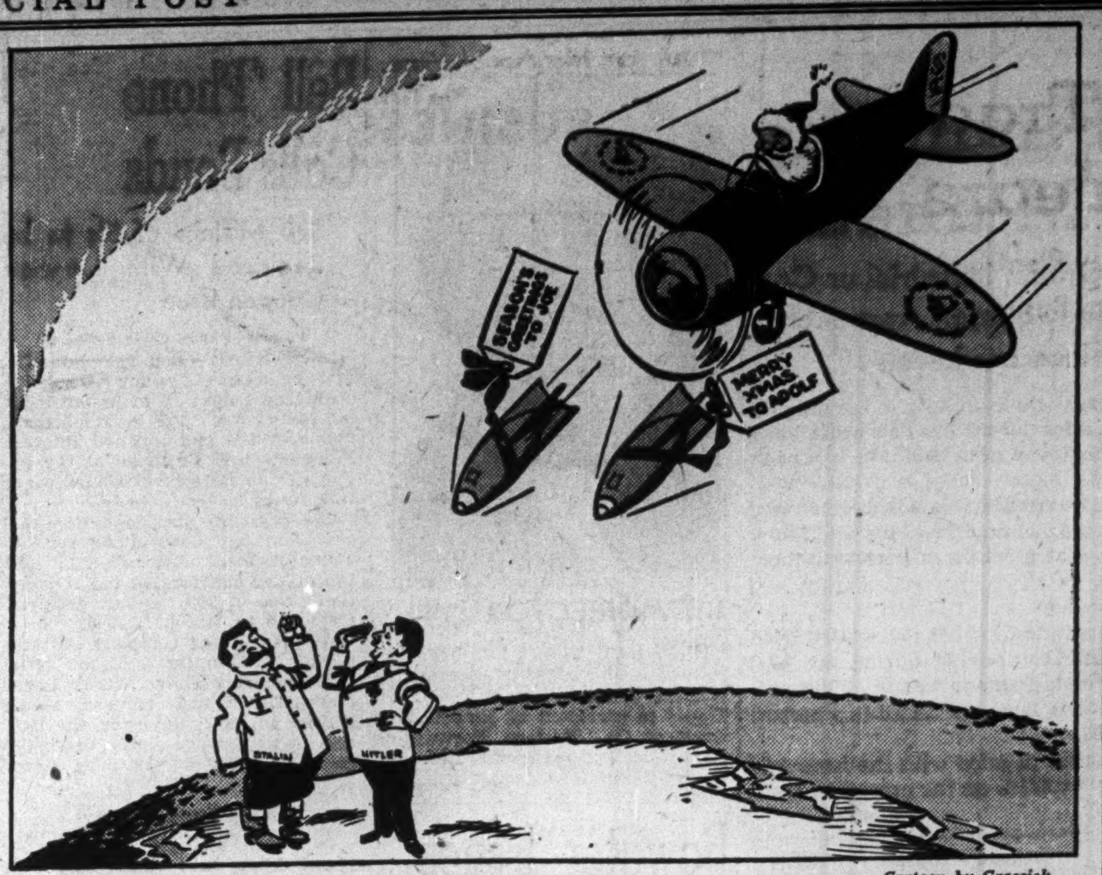
"There can be no lasting peace unless there is a full and lasting trade between nations."—*Prime Minister Chamberlain.*

* * *

"This war is too serious, too civilian a business for pomp."—*Hon. T. A. Crerar.*

* * *

"Regimentation by government, or otherwise, has been tried and has failed. It will continue to fail wherever attempted."—*C. H. Carlisle.*



—*Cartoon by Grassick.*

TO ADOLPH AND JOE

Post-Scripts . . . . .

Great Canadian

Charles A. Magrath, who has been named by President Roosevelt as the non-national American representative on the Portuguese-American Commission for the advancement of peace between the two nations, is a Canadian rich in years of public service.

C. A. MAGRATH

It is just 61 years ago that he was appointed Dominion Land Surveyor in the Canadian Northwest. Since then the greater part of a long, busy life has been devoted unselfishly to matters affecting either the well-being or the development of the Dominion. At 31, he was the first mayor of Lethbridge when that community became incorporated as a city. Subsequently as member of Parliament, member, and later chairman, of the Canadian section of the International Joint Commission, as a member of the War Trade Board, as wartime Fuel Controller, as chairman of the Ontario Hydro and as a member of Newfoundland Royal Commission in 1933, his talents and energy have been constantly at the service of projects or undertakings which required vision and public spirit for their completion. Although he is 80 years of age next April he still retains the title of Dominion Topographical and Provincial Land Surveyor for all the provinces in Canada.

* * *

Speaking earlier this year to the Engineering Institute of Canada, Dr. Magrath urged on his listeners—and especially on younger Canadians—the need for reviving the "Empire Building" spirit which played such a magnificent part in the development of this country in the early days. He said, in part:

> "Canada owes its foundations to the empire builders of the French régime; their descendants today are a splendid people whom to know is to appreciate. Sometimes I wish that another Company of Gentlemen Adventurers would come along with a further supply of that stock brought to us via the Hudson's Bay. Or think of the few Scots who took hold of another great piece of empire building—the Canadian Pacific Railway. Look at the development today to be found in that territory, and largely due to the courage of those empire builders. Can we not give similar play to our imaginations in terms of Canada's future?
>
> "It was the terms of British Columbia's entry into Confederation that forced on us the construction of the Canadian Pacific. This was only made possible by the use of some of our natural resources. Could these resources be put to better use than in helping to expand our country's opportunities, especially as we will still have the advantage of such wealth as they may afterward produce?
>
> "Might it not be possible to work out a plan by which some of our undeveloped resources could be used in helping to finance large development projects which our governments are unable to further under existing conditions?
>
> "I am not suggesting it is an easy task to find such a plan but it is our responsibility to make a determined effort to that end. Negative attitudes will not do in Canada. I cannot emphasize too strongly the necessity of our best business minds dropping the attitude of apparent indifference when anything out of the ordinary, looking to an improvement of our national methods, is brought to their attention.
>
> "Let us try to get away from the idea that our over-worked governments must find solutions for all our difficulties. Real effort to make sound methods cannot fail to make progress. Canada offers splendid opportunities to the exploring mind."

The advent of war may have postponed consummation of developments such as Dr. Magrath envisioned in this address and which he delights to discuss, wherever he travels in Canada or abroad. But the need for imaginative, exploring minds of the Magrath type, when backed by a zeal for public service and "empire-building" as in the case of this great Canadian, continues whether we are at peace or war.

* * *

Political "Find"

Hon. J. G. Taggart, who heads the board appointed to administer the contract under which close to $50 millions of bacon and ham will be sold to Britain in the next 12 months, is easily the outstanding political "find" of the last decade. In personality, drive, and competence he is probably the nearest that Saskatchewan has yet come to duplicating Hon. Charles A. Dunning.

Mr. Taggart's appointment has been well received. In effect, he assumes command of the hog industry and upon his husky shoulders now rests chief responsibility not only for working out a complex and difficult administrative problem but of piloting a major industry through war and bringing it to the ultimate peace in proper shape to resume its place in the national economy.

* * *

Mr. Taggart is the civil servant in politics. Along with Premier John Bracken of Manitoba he is one of the very few men who have graduated from the civil service to the seats of the mighty and made good. He is a minister of agriculture who is, as well, a highly qualified, technical agriculturist. But unlike most technical men, Mr. Taggart is hard headed, hard boiled, efficient and, above all, realistic. He is intensely practical and has proved to be a competent businessman and administrator.

Coming from Saskatchewan, he has another pleasing quality. He is free of the somewhat narrow, crippling kind of partisanship which prevails in the mid-west province. He has never been interested in political organizations as such and has striven to surround himself with assistants selected for ability rather than for party service and loyalty.

* * *

Mr. Taggart is a Nova Scotian, born on a farm near Parrsboro in 1892. He was educated at the Truro Agricultural college and at Guelph. He then entered the Dominion service, becoming superintendent of the Dominion Experimental Farm at Swift Current and later was principal of the School of Agriculture at Vermilion. He thus became intimately acquainted with agriculture in four of the nine provinces.

In 1934 he made the decision to enter public life. At the time there was much head-shaking and a little heart-burning. It was too bad that a skilled agriculturist should lose himself in the hurly-burly of public life. Some day he would be defeated and his career closed. It was deemed a waste of ability. But he was elected in June, 1934, as a Liberal in Swift Current and became minister of agriculture of the province a few weeks later. He has continued to hold that portfolio.

* * *

Drought and hard times contributed to his reputation. He had a designer's hand in most of the reconstruction policies applied to the West and, in particular, he made himself the champion of the so-called "desert" area. By this is not meant the area that ought never to have been ploughed, but the area which has suffered terribly but yet holds first place in the production of wealth over the past 25 years in the west. His submission to the Rowell Commission was conclusive as to whether or not this drought area was finished. He never lost faith in the country and his optimism, which many thought visionary, was confirmed this year. Departmental experts have confirmed yields of 68 bushels to the acre this year in areas which many believed finished.

His views on wheat policy have been equally clear cut. He has stood for some form of crop insurance as distinct from large government handouts. The Prairie Farm Assistance Act was more to his way of thinking (a payment for crop failure) than a high fixed price for wheat.

Mr. Taggart draws his faith in the West not from wishful thinking or the contagious enthusiasm of the prairies, but from hard facts. And, again, he is standing to his guns. Pessimists are already viewing the 1940 crop with alarm. There has been almost no rainfall in the West since the harvest. Yet Mr. Taggart is not alarmed. The stubble land, it is true, is dry and dust blown. But the summer fallow by scientific test has held the 1939 moisture and today has a greater moisture content than in any year since 1928. That happens to be a fact. And it is equally a fact that summer fallow will be two thirds of Saskatchewan's 1940 wheat acreage.

* * *

Mr. Taggart now heads a board which must strive to satisfy many conflicting interests—sectional interests, the interests of middle men, processors and the like. It is a big job and there is nothing in his record to judge how he will measure up to it. The wide approval of his appointment is more a tribute to his past success than to any sureness of his capacity to handle so complex a problem as he now faces. But coupled with ability are several qualities which will stand him in good stead.

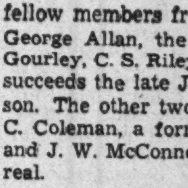
He is receptive to ideas. He is open to persuasion. He is reasonable and good tempered. Had the Scottish clergymen to whom Cromwell spoke been of Taggart's type, there would have been no need for the Lord Protector to have pleaded—"I beseech you by the bowels of Christ to believe that you may be wrong."

The one dubious point in the set-up is that he intends to retain his portfolio in the Saskatchewan government. Most people would agree that either one of these jobs is a full time job. No doubt Mr. Taggart will be the first to admit it, if the combined responsibilties are too much for him.

* * *

Portage and Main

The corner of Portage and Main in Winnipeg is to western Canada what Times Square is to New York, Trafalgar Square to London, or Place de la Concorde to Paris. It is the crossroads of business and industry, indeed of life itself, in the West. A window overlooking the corner of Portage and Main marks the office of Lieut.-Col. Hugh F. Osler, president of one of the West's leading financial houses and the new member of the Canadian Committee of the Hudson's Bay Company.



COL. H. OSLER

Born in a staunch eastern Canada tradition, Col. Osler has become a genuine Westerner. The Canadian Committee is almost a Winnipeg monopoly, and being chosen to fill a place on it is rather like being chosen for a special Inner Council of Seven in the business world. Col. Osler's fellow members from Winnipeg are George Allan, the chairman, R. G. Gourley, C. S. Riley, H. B. Lyall. He succeeds the late James A. Richardson. The other two members are D. C. Coleman, a former Winnipegger, and J. W. McConnell, both of Montreal.

* * *

Col. Osler is president of Osler, Hammond & Nanton Ltd., Osler & Nanton Trust Co., the Manitoba Cartage Co. and C. & E. Corporation Ltd. The Oslers are one of Canada's first families. Col. Osler's father, Sir Edmund Osler of Toronto, was founder of Osler & Hammond, and his uncle, Sir William Osler, was the famous Canadian medical man.

Like the firm that Col. Osler presides over in the financial world, the Queen's Own Cameron Highlanders of Canada is a proud institution whose history is woven in the texture of Winnipeg life. Col. Osler joined the regiment when it was formed in 1910, and went overseas with it as second in command in the last war. The Camerons are going overseas again this time, and an Osler is on the roll of officers. He is Col. Osler's son, William, a newspaperman in civilian life.

* * *

In the days that are deemed more simple and less complicated, Col. Osler was an ardent polo player. But now it is golf or the races. Likely as not you would find him at the race meeting Winnipeg or Toronto, or on a summer week end calculating the lie of his golf ball at the St. Charles Country Club or the Pine Ridge course at Winnipeg. He is a founding member of both clubs, and he is president of the Manitoba Jockey Club.

Canadian business and finance is developing its own type, somewhere between the English and the American extremes, Col. Osler fits the Canadian character. He is tall, greying, pleasant and incisive, and diffident about having pieces in the paper about him. In Winnipeg's civic life, he is an advisory member of the Winnipeg Foundation, a trustee of the General Hospital, and a director of the Better Business Bureau.

In the Mail

Pacifists and Communism

Editor, The Financial Post:

I am a minister of the United Church of Canada. Incidentally I am a reader of The Financial Post. It comes to our Manse on Friday and Friday night finds me reading it thoroughly although I am a parson. I enjoy "Atticus." Usually I like your editorials. I have had occasion to seek advice from your paper several times and have always received fine consideration.

In your last issue you had an article "Red Influence Linked to Pacifist Avowal." It was relative to the ministers and others in the United Church who signed the "Witness Against War." May I say that I consider your article very far beneath your usual dignity. It reminds me of some mediaeval witch or heresy hunt. . . . I think your article the dullest thing that I have ever read in your paper. You could scarcely accuse a minister of preaching a dull sermon after that. Thanks, though, for publishing the names again. . . . But I now note one who served his country well in the last war, whom I have known as a friend for many years and whose loyalty and devotion to his country I would bet my life on, "The Witness Against War" notwithstanding.

Lest I be misunderstood I should say that I do not agree with the people who signed "The Witness Against War." I think they did a grave disservice to themselves, the church and their country. But I claim that they had a right to do it. As ministers of the gospel our primary loyalty is to God and after that to the state. The primary loyalty of the United Church is to Christ, who is the head of the Church. Other loyalties must either fit into that or be discarded. We have the right, as you have, in time of war to criticize the state and to differ from it. . . . I served in the last war both as a private in the ranks and as a chaplain, and I have offered my services again in this war. But I can assure you that nothing would put me beside the people who signed the "Witness Against War" quicker than that they should be persecuted. In that I believe I am speaking for every minister in the United Church. . . .

The Christian must make his decision according as he interprets the mind of Christ. There can be no doubt as to the attitude of Christians toward war in general. We consider it contrary to the mind of Christ. But when it comes to the application of Christian viewpoint to the present war in which we find ourselves we are compelled to admit that we are not all in agreement. I personally regret that there is a body of fine men who feel constrained to sign such a document as "The Witness Against War." But I find myself burning with indignation that they should be treated like a lot of mediaeval witches or heretics by The Financial Post. . . .

The military effectiveness of Canada will not be affected greatly, if at all, by the pacifism of the people who signed "The Witness Against War." On the other hand, there can be no doubt that they have and will continue to make a moral and spiritual and social contribution to the life of Canada comparable to that of the Quakers in England. My understanding of the British spirit is that it stands for tolerance of conscientious opinion.

I have been in the active ministry for 25 years and I know the ministry of the United Church far more intimately than The Financial Post. That The Financial Post should exercise its ingenuity to "redden" a section of us is surely unworthy of Canadian journalism.

HUGH McFARLANE.

Winnipeg.

Editor's Note.—Is not this the point at issue: either the signatory ministers are in sympathy with the communistic influences behind the manifesto or they are not. If they are in sympathy then they are aligned with anti-Christian forces. If they are not, they should individually declare their position.

It is not The Post that has "reddened" these men, but their own association with, or subjection to the Influence, of Red propagandists.

No doubt many of the signers of the "Witness Against War" were unaware of the Red influence behind it. The Post does not challenge the patriotism of such men, although it feels they should have been more careful in their associations. It feels that the public is entitled to a disavowal, by any minister who signed the "Witness" without full knowledge of its background, of any communistic sympathies.

The Financial Post is unable to see any relationship between Christianity and the social and political doctrines of Bolshevism in Russia or Naziism in Germany.

The executive of the United Church issued a statement saying: "By acting collectively and inviting signatures. . . . the signatories of this manifesto, however sincere, have gone far beyond the limits of what is wise and proper in time of war."

The Financial Post agrees with this view.

Stop Me If . . . .

"Name?" queried the immigration official.

"Sneeze," replied the Chinese proudly.

The official looked hard at him. "Is that your Chinese name?" he asked.

"No. Canadian name," said the Oriental blandly.

"Then let's have your native name."

"Ah Choo."

Week in Business

Christmas Trade Is Best in Years

Merchants Report Money Plentiful With People Showing Confidence in Business Outlook — Business Index Highest Since 1929

Christmas trade is the best in years.

This is the opinion of merchants interviewed by The Financial Post. Some state that it is the best they have ever had.

More widespread employment, with more money in circulation and a general feeling of confidence have resulted in a brisk movement of goods of all classes. This buying is described as of a good type, evidently based on a conviction that a period of general prosperity lies ahead.

Further indication of buying improvement is provided by the D.B.S. index of department store sales. At the end of November this stood at 81.4, the highest level for any November since 1931.

Last month The Financial Post Business Index moved up, not only to the highest point of the year, but to a level which has not been equalled since the early months of 1929. The rise since last March, beginning of the upward movement, has been 15½%, with more than half of this in the last three months.

While war orders for materials and supplies have accelerated the movement, merchants point out that business was advancing steadily previous to the outbreak of war.

* * *

Independent evidence of increased Canadian buying power was given in a recent issue of the Journal of Commerce, of New York, which stated:

> "While Canada normally is second to the United Kingdom among the markets for American exports, the Dominion assumed first place as a buyer of American goods in October. Our exports to Canada in that month aggregated $61.7 millions, which was almost 19% of all our exports and actually exceeded, by a small margin, the value of all goods shipped to Latin America from this country in that month."

But while buying more from the United States, Canada's exports have also been expanding. Total exports in November to all countries at $97 millions were 13% above last year. While exports to the United States at $45.2 millions were up 59% above 1938.

Other factors contributing to the Canadian business improvement have been the rise in mineral production and activity of the pulp and paper industry. Production of the latter in November was 17½% above 1938.

Business Indicators

Current business active with The Financial Post Business Index for November at highest level since early in 1929. D.B.S. index of business activity for week ended Dec. 9 slightly lower than in 1938, due partly to decline in stock market activity.

Department stores sales index for November 3½% above 1938 level.

Carloadings for week ended Dec. 9 16% above last year. Total for year to date up 4%.

Railway earnings for second week of December up approximately 21% and 14% over last year, for C.N.R. and C.P.R. respectively.

Automotive production in November shows small total increase over last year.

Newsprint production up 17% in November, compared with year ago.

Lumber exports in November 11½% under 1938. Total for 11 months up 30%.

Cigarette consumption in November 5½% above that of year ago. Cumulative for 11 months up 4%.

Bank debits in November slightly under last year.

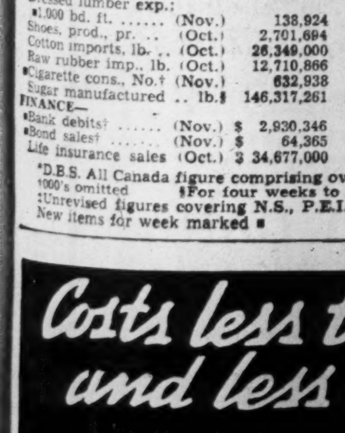
Bond sales in Canada show decline of 36% in November from year ago. Total for 11 months up 29%.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ■.

TREND OF BUSINESS—	Dec. 9	Dec. 2	Nov. 25	Nov. 18	Dec. 10/38
Weekly index of business, D.B.S.	104.3	105.2	103.5	102.7	104.6
Commodity prices index no.	80.8	80.2	79.7	79.6	73.3
	Nov.	Oct.	Sept.	Aug.	Year Ago
■The Financial Post business index	*129.5	126.6	122.6	122.0	119.7
Retail sales index no.	....	88.6	87.6	81.8	80.5
■Dept. stores sales index no.	81.4	90.0	86.6	73.1	78.6
Wholesale sales index no.	....	117.4	141.9	102.7	97.8
Country store (% change pr. yr.)	....	+3.5	+12.1	—2.2	—8.1
EMPLOYMENT Index No's., D.B.S.	Nov. 1	Oct. 1	Sept. 1	Aug. 1	Year Ago
All industries	123.6	121.7	119.6	117.5	114.6
Manufacturing	122.1	119.7	115.3	112.8	110.9
Wage earners, no. in 000's	....	.....	2,506	2,461	2,402
Living costs weekly budget	....	$17.69	$17.02	$17.02	$17.35
			Jan. 1 to date		%
RAILWAYS—	1939	1938	1939	1938	Change
■Carloadings (week Dec. 9) .	50,390	43,168	2,417,844	2,320,944	+4.1
■C.N.R. gross (week Dec. 14) $	4,290,358	3,528,237	193,687,387	174,112,040	+11.2
■C.P.R. gross (week Dec. 14) $	3,126,000	2,741,000	143,998,000	135,982,000	+5.8
C.N.R. net revenue ..(Oct.) $	5,453,848	4,650,861	12,106,202	2,195,607	+451.3
C.P.R. net revenue ..(Oct.) $	5,844,165	6,046,430	18,549,575	13,377,224	+38.6
IRON AND STEEL—(Oct.)—					
Pig iron production (tons)	85,758	50,657	573,740	605,502	—5.2
Steel ingots and castings prod. (tons)	149,890	76,256	1,087,583	987,261	+10.1
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* ... (Oct.)	5,850	5,392	74,671	80,826	—7.6
■Factory output ... (Nov.)	9,882	15,423	97,315	109,563	—11.1
Trucks and Buses:					
Domestic sales* ... (Oct.)	1,210	1,124	21,057	23,253	—9.4
■Factory output ... (Nov.)	8,530	2,569	41,023	37,909	+8.2
■Exports .... (Nov.)	4,884	2,766	53,805	52,865	+1.7
Financing:					
Used .... (Oct.) $	2,667,444	2,549,356	29,975,021	31,894,065	—6.0
New .... (Oct.) $	1,708,896	2,035,587	23,623,493	29,711,589	—20.5
CONSTRUCTION—					
Contracts awarded (Nov.) $	12,739,000	15,019,700	177,749,300	176,592,400	+0.6
Cement, bbls. ...... (Sept.)	852,197	702,866	4,425,535	4,234,238	+4.5
AGRICULTURE—					
Flour prod., bbls ... (Oct.)	2,089,562	1,906,385	13,326,675	11,088,504	+20.1
Flour exp., bbls. ... (Nov.)	572,810	477,875	4,439,458	3,546,801	+25.1
Wheat exp., bush. .. (Nov.)	20,635,199	21,703,514	128,492,138	98,195,775	+30.8
Cattle sales .... (Nov.)	108,983	128,718	1,009,833	966,628	+4.4
Hog sales .... (Nov.)	433,398	363,926	3,268,256	2,955,197	+10.5
SEA FISHERIES—‡					
Catch, cwts. .... (Oct.)	813,300	1,040,900	8,277,320	8,162,610	+1.4
Landed value ...... (Oct.) $	1,179300	1,417,400	14,958,780	16,048,910	—6.7
NEWSPRINT—					
■Production tons ... (Nov.)	288,726	245,295	2,628,610	2,414,827	+8.8
Exports, tons .... (Oct.)	270,493	248,067	2,149,432	1,967,385	+9.2
MINING AND OILS—					
Coal prod., tons .... (Oct.)	1,747,663	1,503,608	12,283,593	11,390,891	+7.7
Coal imports, tons .. (Oct.)	1,949,633	1,457,481	10,799,316	10,938,485	—1.2
Gold prod., fine oz. (Sept.)	421,485	408,326	3,803,202	3,464,398	+9.8
Nickel prod., lb. .. (Sept.)	20,275,866	16,939,700	170,361,711	160,097,162	+6.4
Copper prod., lb. .. (Sept.)	50,698,464	48,784,733	451,410,179	428,875,538	+5.2
Crude oil prod., bbl. (Sept.)	720,866	892,732	5,787,117	5,341,569	+8.3
Crude oil imp., bbl. (Oct.)	4,362,000	3,640,000	31,016,000	30,199,508	+2.6
ELECTRIC POWER OUTPUT—Oct.)—					
Total monthly, 1,000 kw.h.'s	2589,956	2,333,461	23,213,735	21,283,948	+9.0
FOREIGN TRADE—♦					
Imports .... (Oct.)	79,053,266	63,908,940	594,384,985	569,861,699	+4.4
Exports .... (Oct.)	91,418,530	89,253,928	735,458,619	691,990,465	+6.4
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.:					
■1,000 bd. ft. ...... (Nov.)	138,924	156,875	1,962,894	1,509,826	+30.0
Shoes, prod., pr. .. (Oct.)	2,701,694	1,760,996	20,606,901	18,582,752	+10.9
Cotton imports, lb. .. (Oct.)	26,349,000	17,639,000	102,100,000	103,699,000	—1.5
Raw rubber imp., lb. (Oct.)	12,710,866	7,031,956	60,559,338	45,643,972	+32.8
■Cigarette cons., No.† (Nov.)	632,938	599,736	6,613,813	6,351,250	+4.1
Sugar manufactured .. lb.§	146,317,261	158,494,897	809,120,369	822,174,714	—1.6
FINANCE—					
■Bank debits† ...... (Nov.) $	2,930,346	2,965,079	28,560,485	27,975,277	+2.1
■Bond sales† .... (Nov.) $	64,365	101,541	1,364,133	1,052,629	+29.5
Life insurance sales (Oct.) $	34,677,000	32,372,000	325,139,000	313,213,000	+3.8

*D.B.S. All Canada figure comprising over 90% of the Canadian total.
†000's omitted §For four weeks to Nov. 4, 1939. ♦Gold excluded.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Preliminary.
New items for week marked ■

Costs less to buy—and less to operate

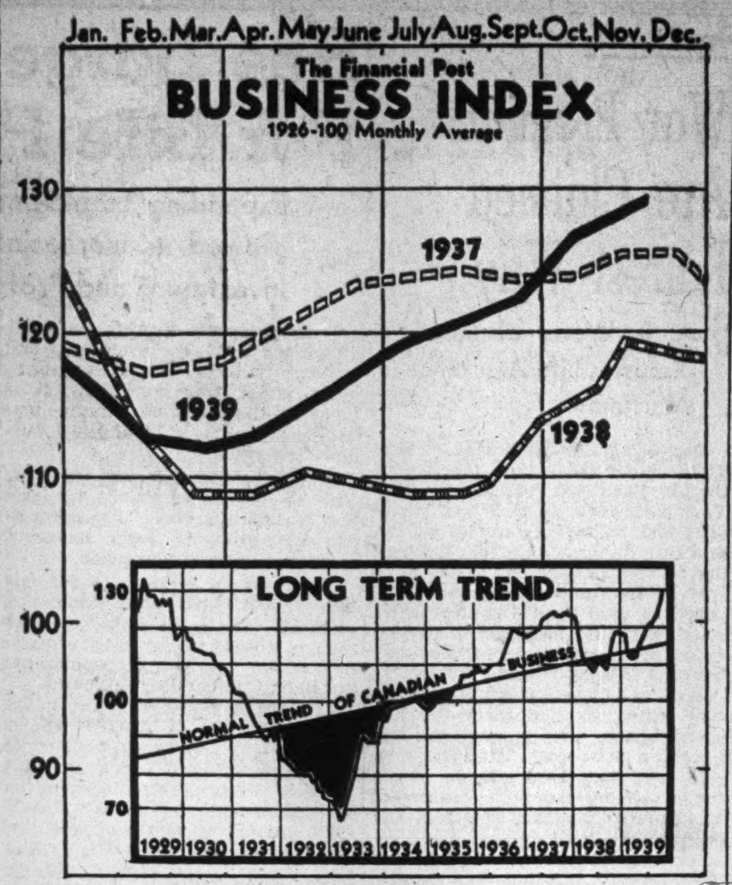


Esso Oil Burner

NEW LOW PRICES—Install this quality oil burner now and pay as you enjoy it. As little as $5.20 a month.

Telephone or write for information.

IMPERIAL OIL LIMITED



BUSINESS CONTINUES UPWARD

Canadian business continues to show improvement. The Financial Post Business Index, which has been moving upward since the first quarter of the year, in November reached the highest point since the early months of 1929. Mineral production and the pulp and paper industry were particularly active. Gains in the output of iron and steel and automobiles, however, were less than normal for the season. The construction industry was quiet while a further increase was shown in the railway freight movement after seasonal adjustment.

		November 1939	November 1938	Change %	Oct. 1939
F. P. Business Index†		129.5*	119.7	+8.2	126.6
Capitalized bond yields†		144.9	162.6	—10.9	140.8
Bank deposits†		131.5	125.1	+5.1	129.0
Copper exports	cwt.	537,518	565,226	—4.1	334,157
Nickel exports	cwt.	204,079	214,865	—5.0	228,509
Zinc exports	cwt.	301,543	181,788	+65.9	161,224
Asbestos exports	tons	23,348	30,012	—22.2	20,211
Sugar manufactured	lb.	146,317,261	158,494,897	—7.7	101,604,562
Cheese, factory production	lb.	5,418,767	7,215,118	—24.9	12,816,531
Butter, creamery production	lb.	15,362,056	14,665,565	+4.7	23,736,491
Cotton consumption	lb.	15,976,183	9,099,325	+75.6	12,404,001
Newsprint production	tons	288,726	245,295	+17.7	280,985
Planks and boards exported	M. ft.	138,924	156,875	—11.4	244,085
Shingles exported	squares	256,230	16,948	+1411.9	340,898
Pig iron production	L. tons	87,822	46,216	+90.0	85,758
Automobile production	No.	18,412	17,992	+2.3	9,640
Carloadings	No.	248,328	219,750	+13.0	270,281
Contracts awarded	$	12,739,300	15,019,700	—15.2	14,228,100

†1926=100. *Preliminary.

Keeping Posted

By J. C. KIRKWOOD

Here's a suggestion, made on Christmas Eve, to fathers of small sons—under 10 years, or, say, 12 years: Give them 12 I.O.U's, dated the 25th of each of 12 months, these I.O.U.'s to be presented monthly by the lad, and cashed by the father. Thus the youngster will have an assured allowance, and will learn to budget his expenditures; and learn, also, it may be, the practice of thrift. There will be permanent gains to the growing boy from his compulsory discriminations in the use of money.

JOHN C. KIRKWOOD

* * *

I wonder if today I may be permitted to speak of our first Christmas in Britain—in 1906. We had no Christmas dinner! We forgot all about it! My two young children rose early to see what Santa had left them, and after their excitement had quieted down, a late breakfast was served, and not until 2 o'clock was there any thought of dinner, and so it was skipped.

But the next day—Boxing Day! There arrived in the morning a wooden box about 4 feet long, from my people in Canada, containing a fine variety of Christmas fare—a roast turkey, a roast chicken, Christmas cake and pudding, and other good things. So we had a downright good Christmas dinner on Boxing Day. Then off we went to a theatre, and picked on one almost at random. But what magnificent luck! The play was "Peter Pan"—then new in London. No play could have been better for young children and their parents.

Thirteen years later my Christmas day was a dismal one. Again it was spent in London. The family with whom I lived (my own family was in Toronto) had gone off to kindred for the Christmas holidays, and so I was left alone in a desolated flat. A cold chicken was left me for my repast. On Christmas Day in England in 1919 no theatres, no cinemas, were open. Christmas is supposed to be a home day; and the flat I lived in was not centrally heated. That day I spoke to no one but the postman.

* * *

French Wanted

When J. H. Storey, president, the Master Plumbers Association of Montreal, spoke at the association's annual banquet held early this month, he said that though the majority of the young men attending the Montreal Technical School's night classes, for training in plumbing, are French Canadian, yet there are no textbooks available to them in French. Mr. Storey expressed the hope that in the next budget for youth training, the Provincial Government would set aside the funds necessary for such French textbooks.

* * *

Smart Retailers

Retailers in British Columbia are smart men! Perhaps it is the nearness, the companionship, of the everlasting hills, with their peaks reaching to the clouds, which inspire the minds of these bright men of the Pacific Coast regions. Take I. B. "Ben" Baird, of Prince George, by way of example, who operates a spacious men's clothing and furnishing store. Mr. Baird actually challenges the huge mail-order houses of the West: he does a mail-order business of his own! His field is, in addition to the local one, the northern Cariboo area and along the C.N.R. line to Jasper.

In the Baird country—so I learn from Men's Wear Merchandising—the market for boys' suits is extremely limited, but trousers and sweaters are in heavy demand in the Cariboo. Boys under 14 don't dress conventionally; they prefer sweaters, windbreakers, and odd pants. And these Cariboo boys have their own ideas in respect of their physical frame, and so eastern-made boys' clothing has been found to be too small in the armholes and too short in the arm lengths.

* * *

Panel Heating

Radiant heat or panel heating for the heating of buildings is in more general use in Great Britain and on the continent of Europe than it is in this country, said Professor F. E. Giesecke, presidential nominee for 1940 of the Ontario Chapter, American Society of Heating and Ventilating Engineers. In his address, as reported in Sanitary Engineer, Professor Giesecke described some of the methods of panel heating, where the pipes are buried in concrete or plaster walls and ceiling. One of the most interesting installations is in a large Switzerland department store, where the system is used for heating in winter and cooling in summer. Panel heating is much used in Finland.

* * *

In the Old Days

An article in the November issue of Canadian Paint and Varnish takes pot shots at men and things as they were 30-40-50 years ago. The article is about Tamblyn's, the Toronto chain drugstore enterprise. Here's the way the good old times are ridiculed:

> "It is not too far back to the squat, pot-bellied stove that stood in the centre of the floor, and the dark, dusty corners where the lean store cat would go mousing. . . . A dusty dark place with dirty mortars and pestles and stained-glass bottles, presided over by a steel-rimmed spectacled person in a torn smock. . . . The old walrus-mustached clerks. . . . Interiors were wallpapered. . . . Stores trimmed with brass. . . . Almost invariably cracked and blistered fronts. . . . Faded and yellow wallpaper, and gaudy calendared and almanacked walls."

Isn't that venemous?

The writer of the article is telling of the revolution wrought in drugstore arrangement, decoration, service, and so on by George Tamblyn, who opened his first store at the corner of Queen Street and Lee Avenue, Toronto, in 1904. From this seed have sprung up 64 sister stores, whose combined annual sales are over $3½ millions.

* * *

Modern Contrasts

The article deals with the way that the Tamblyn stores are kept smart by the use of paint; they are painted once a year, and every day Tamblyn fronts are washed with soapless, cleanerless water.

"But it is the interior," says the writer of the article, "that dazzles the eye. Spotless walls and ceilings, shiny display stands, green-and-white checked linoleum . . . and fresh-faced young men with college degrees and hexagonal rimless glasses."

The very day I read about the slammed old-type retail store I saw a Heinz advertisement, in color, showing the interior of a homey grocery store of a past day—bespectacled grocer harding a customer's little son a bag of Presbyterian peppermints, a pot-bellied stove with a scuttle beside it, two bearded cronies playing checkers beside the fire, a cat some place, an open biscuit barrel—and it all looked good!

Textile Mills Doing Better

Woollen Firms Are Operating at Capacity—Large Military Orders

From Our Own Correspondent

MONTREAL.—Operations of Canadian textile mills are reported continuing at a high rate. Cotton, woollen and rayon manufacturers are all busy.

Reflecting this Canadian consumption of raw cotton in November was higher than for any corresponding month on record.

Orders of the cotton mills from the Dominion Government include 600,000 yards of cotton shirting, 350,000 yards of khaki shirting, 600,000 yards of ticking and 600,000 yards of heavy duck.

More important, in the opinion of the industry, however, has been increased consumer demand and inventory buying. Inventories at the outbreak of war were low and there has been some tendency to stock up against possible price advances.

Some cotton manufacturers, unless there is a continued improvement in consumer demand, look for a slight let-up a few months hence. At the moment, however, most manufacturers have a good backlog of orders. Enquiries continue to come in from export markets where Canada formerly did little or no business.

Woollen Mills Busy

Woollen mills are operating at capacity. This reflects not only increased demand from the wholesale and retail trades, but large orders from the Dominion Government for military purposes. Some manufacturers have been forced to turn down business.

Several months hence the present orders for the Dominion Government will be completed. However, others may be forthcoming, especially in view of the large air training programme which has recently been announced. Even if no further military orders were forthcoming the woollen mill would be kept operating at a high rate for some months on their backlog of orders for the trade.

Military orders have included upward of one million yards of woollen cloth, 750,000 yards of shirting, 360,000 blankets, 30,000 dozen woollen underwear and 180,000 pairs of woollen socks. In addition, hundreds of thousands of pounds of yarn have been sought by organizations such as the Red Cross for the purpose of knitting socks, sweaters, etc.

The acute shortage of certain types of wool with which the manufacturers have been faced, has been eased somewhat, but the situation is still reported unsatisfactory. Some supplies of wool have been released by the British wool administrator and shipments are now being made direct from Australia to Canada. Negotiations between the Canadian and British wool administrators are continuing.

Rayon Mills Do Better

Rayon manufacturers have not obtained war orders, but they also are reported enjoying better business. An interesting development in this field is the manufacture of artificial wool by Canadian Celanese Ltd. Manufacture of the new product on a small scale was commenced recently. Expectations are it will be an important addition to the company's line of products. The artificial product, developed in Great Britain, is said to have the same appearance as natural wool and to have greater strength.

Automobile Sales Show Slight Gain

Improved volume of automobile sales in Canada was reflected in November returns, which showed an increase of 5% over the same month in 1938. As reported by Canadian Automotive Trade, new passenger car registrations in eastern Canada for leading makes totalled 4,340 in November, against 4,127 in November, 1938. Despite the monthly gain, however, registrations in the first 11 months of 1939 show a decline of 16%.

A similar relative position is shown by the November report by Dominion Bureau of Statistics on automobile production in Canada. November, 1939, production totalled 18,412 passenger cars, commercial vehicles and chassis units, compared with 17,922 in November, 1938. The cumulative total for the year to end of November is 138,338 units, compared with 147,472, units in 11 months of 1938.

New Passenger Car Registrations
(In Eastern Canada)
(Leading Models)

	Nov. 1939	Nov. 1938	Year to date 1939	Year to date 1938
Chevrolet	878	805	10,329	12,389
Ford	806	534	8,951	10,582
Dodge	713	979	9,617	13,806
Plymouth	621	912	8,614	10,158
McL. Buick ..	371	302	2,963	4,430
Hudson	226	199	2,458	3,433
Chrysler	224	152	2,176	2,446
Mercury	205	...	2,178	....
Oldsmobile ..	152	149	2,680	2,626
Nash	144	95	2,392	2,446
	4,340	4,127	52,358	62,316

A CHECK-UP OF YOUR INVESTMENTS

A requisite of a sound investment portfolio is a periodic analysis by a competent investment consultant. This service may be obtained without obligation at any of our offices.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

Dominion of Canada Bonds

Canada's prime investment, combining safety of principal, adequate income return and marketability. Offerings and bids submitted on all Dominion of Canada issues.

McLEOD, YOUNG, WEIR & Co.
LIMITED
Metropolitan Building, Toronto
Telephone: Elgin 0161
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Montreal
London
Hamilton
Correspondents in New York and London, England.

THE LONDON & WESTERN TRUSTS COMPANY
LIMITED
ESTABLISHED 1896
Head Office: LONDON
TORONTO WINDSOR WINNIPEG SASKATOON VANCOUVER

How many kinds of life insurance are there?

PERHAPS YOU ARE one of those who have wondered what the difference is between the various kinds of life insurance.

While there are many different kinds of life insurance *policies*, there are really only *three basic types* of life insurance—Whole Life, Endowment, and Term.

These three types of life insurance are sometimes used in a more or less interchangeable manner, where circumstances make it advisable. Each has features which fit it for certain purposes. Through combinations of the three types, life insurance can be adapted to meet the needs of any insurable individual. The examples given below are intended to show a primary need met by each of these types of insurance and to point out certain important features of each kind.*

1. WHOLE LIFE INSURANCE

WHOLE LIFE INSURANCE is designed to provide *permanent* protection. It is used most commonly when a man wishes to create an insurance estate for his family which, upon his death, will carry them through the period of adjustment, or provide a sum to help make the future more secure.

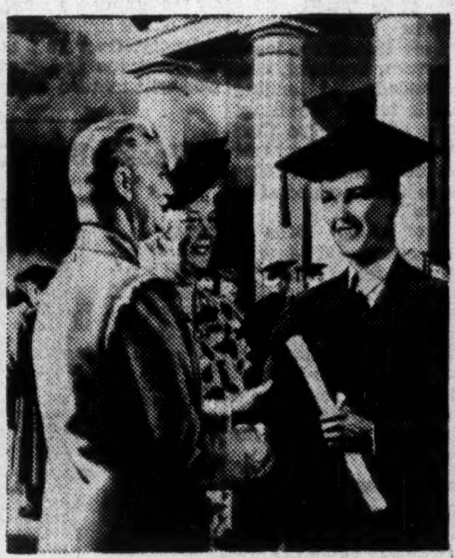
▶ Let us suppose that you wish your family to receive $1,000 at your death, regardless of *when* that may be.

To accomplish this, you buy a $1,000 Whole Life Insurance Policy. Your policy will, let us say, be one of 1,000 similar policies.

Each member of the insured group must pay enough each year of his life so that the total amount paid in will enable the insurance company to pay out, over the lifetime of the entire group, 1,000 death claims of $1,000 each—a total of $1,000,000.

▶ In the case of Limited Payment Life Policies, premium payments instead of being spread over a lifetime are concentrated within a shorter period, and are therefore somewhat larger. In either Whole Life or Limited Payment Life Policies, the periodical premiums do not increase as the policyholder grows older, but remain the same each year.

In addition to death payments, a Whole Life Policy also contains other privileges and benefits, which policyholders may, and frequently do, avail themselves of during their lifetimes.



2. ENDOWMENT INSURANCE

ENDOWMENT INSURANCE is designed for a man who wishes to provide for a *definitely foreseen* monetary need, such as the education of his children.

▶ Let us suppose that you desire an insurance policy that will provide you with $1,000 at the end of a definite period, say 20 years, or pay your family $1,000 if you die within that time. To meet this need, you buy a $1,000 20-Year Endowment Insurance Policy. Your policy will, let us say, be one of 1,000 similar policies.

Experience shows that in this insured group a certain number of people, say 170, will die within the 20-year period . . . and that 830 of them will still be living at the end of the 20 years. So each member of the group must pay enough each year, so that the total amount paid in will enable the insurance company to pay out, over the 20-year period, 170 death claims of $1,000 each, in addition to 830 matured endowments of $1,000 each at the *end* of the period—a total of $1,000,000.

▶ The premiums for Endowment Insurance will be higher than those for Whole Life Insurance, because both claim payments and matured endowments are concentrated within a limited period instead of being spread over the lifetimes of the policyholders.

In addition to the benefits available on maturity, Endowment Insurance carries other benefits which the policyholder may elect prior to maturity.

3. TERM INSURANCE

TERM INSURANCE is designed primarily to meet a *temporary* need, such as assuring extra funds to pay off a mortgage or to cover a business loan, *in case of death.* This type of insurance provides for the payment of the face value of the policy to the beneficiaries of the policyholder only in case he dies within the period of time specified by the policy.

▶ Let us suppose that you wish your family to be paid $1,000 if you die within a definite period, say 10 years.

To meet this need, you buy a $1,000 10-Year Term Insurance Policy. Your policy will, let us say, be one of 1,000 similar policies.

Experience shows that in this insured group, a certain number of people, say 90, will die within the 10-year period. Therefore, each member of the group must pay only enough, each year he lives of the 10-year period, so that the total amount paid in will enable the insurance company to pay beneficiaries 90 death claims of $1,000 each—a total of $90,000.

▶ Naturally, the 910 policyholders in the group who will still be living at the end of the 10 years, having obtained the protection they desired, will receive nothing more—except certain renewal or conversion privileges included in some policies.

• • • •

There you have the three basic types of life insurance. Some people will find one type suited to their needs. Others will wish to have more than one type. In addition, many policies include provisions under which the insurance proceeds are paid out in some form of income instead of in one sum.

▶ Life insurance has been made so comprehensive and so adaptable that, no matter what your specific needs may be, a life insurance program can be shaped to meet them.

**This is Number 20 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. In this advertisement, no attempt is made to consider such matters as dividends, reserves, taxes, expenses, etc. These subjects have been discussed in preceding advertisements, copies of which will be mailed upon request.*

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
CANADIAN HEAD OFFICE, OTTAWA

Frederick H. Ecker,
CHAIRMAN OF THE BOARD

Leroy A. Lincoln,
PRESIDENT

Banking

Three Big Elements In Granting Credit

Character, Capacity and Capital Still the Important Considerations — Promptness in Meeting Debts Affects Banker's Judgment

Increasing demand for commercial loans at the Canadian chartered banks means greater responsibility for bank managers in recommending or granting credit.

Lending money is one of the chief sources of bank income. Consequently managers are always on the lookout for good borrowers. An essential characteristic of borrowers of this class, however, is that they repay their loans promptly when due.

Apart from the fact that default would cause loss to the bank itself, the fact that the money lent does not belong to the bank but is the property of the depositors, makes the question of repayment all-important. If loans are not repaid promptly, the bank might not be able to return the money to depositors when wanted. As the live branch manager makes every effort to attract deposits, he shares in the general responsibility of the bank to see that the depositors' money is lent only when repayment is at least reasonably sure.

The Three C's

When making a loan, the banker first considers the three primary essentials in credit: character, capacity and capital, frequently referred to as the Three C's. As they are the first points considered by the banker when asked for a loan, and undoubtedly affect his decision, their consideration is just as important for the businessman who wants to borrow. The first two points, character and capacity, are more or less interwoven and may be considered together.

Character has been defined as what a man is. On it depends to a large extent his success in business and social life. Honesty is the basic element in character. The man of integrity does not look to the law to discover what he may or may not do. It has been stated that legal honesty is not always common honesty and the man who is honest only so far as the law demands is usually a dangerous and undesirable customer.

The Desirable Combination

Capacity or ability is almost as essential as honesty.

Not every honest person is capable in business. Some men are of very exemplary character, yet manage their affairs so badly that they may lose all their own money and money they have borrowed as well. It is the combination of integrity that urges a borrower to pay his debts, with the ability to manage his affairs so that he will make a profit, that makes an individual a desirable borrower for a bank.

In this connection, it has been pointed out that a man who is constantly changing his business or occupation is a less desirable risk than one who with a definite purpose fights on to success.

Another important element in character is personality. Magnetic temperament, courteous speech and readiness to do another a good turn, provided there is no weakness in will power, often brings a man to success where another equally capable and honest will fail.

The third element in a desirable borrower is capital. Some bankers have described this as the least important of the three. Certainly capital or financial responsibility without the other two does not make a good risk. But at the same time capital is an important consideration. It used to be considered that a man should have at least double the amount of money in liquid assets that he sought to borrow. In more recent years, however, this view has changed considerably. Some credit men say that a moderate margin of assets over existing and proposed liabilities is all that is necessary, while in some cases requirements have been even easier.

Undesirable Practices

Other factors which affect a man's ability to get a loan include any taint on his name, a reputation for telling lies, for frequently claiming defects in goods delivered to him, and for taking advantage of technicalities.

The issue of cheques without making preparations to meet them is also a procedure tending to weaken a banker's confidence. Such action may not indicate dishonesty at all but gives an impression of bad management.

Businessmen wanting to build and retain credit with the bank are also advised to be frank with the manager. The customer's troubles as well as his successes are of interest to the banker, who probably has had experience in similar cases that may be helpful.

Payments on loans should be made when due. If they cannot be made, an extension should be obtained. Requests for such extensions come much better the day before the debt falls due than the day after.

Housing Loan Curbs Effect Little Change

From Our Own Correspondent

OTTAWA. — The retrenchment stressed in official announcement of the "restriction" of the National Housing Act loans, is paralleled if not overshadowed by the fact that housing finance policy is being changed to conform to the actual trend of operations.

Neither the recent nature nor the indicated future character of Housing Act financing is likely to be changed to any great degree by the apparent curb put on future loans. Nor is the volume of loans or the total of funds provided by the Government likely to be seriously reduced.

While conservation of public finances for war purposes was suggested in announcement of the change, it would appear that the Government is merely trimming its sails to meet prevailing winds and taking credit for a smart piece of navigation.

Highlights of the revised basis of housing finance are that future loans on apartment houses, duplexes, etc., are to be suspended; and lending confined to single family dwellings requiring a loan of not more than $4,000. Also, the tax remission scheme for owner-occupied houses costing $4,000 or less is to be suspended after a suitable interval.

Up to a year or so ago, loans on apartments and other multi-family dwellings accounted for at least 40% of the total amount of loans, and in Montreal, Toronto and other large centres ranged between 80 and 90%. Building of houses in the low and minimum cost field—which the Act was largely designed to foster—was disappointing in extent, and average of loans per unit was up near the $4,000 mark.

Apartment Loans Cut

But building of one-family dwellings, especially in the low cost field, gained rapid headway after the Act was revised over a year ago. Especially last spring and summer, the ratio of apartment building dwindled until it now accounts for only 25% of the cumulative total of loans.

In recent months the average of loans has dropped as low as $2,889 and the cumulative average to around $3,600. In October, only three apartment house loans and three duplex loans were made, and volume of apartment house financing was similarly low in November.

Thus the Government is eliminating only a minor proportion of Housing Act loans in allowing only loans up to $4,000 for single houses. This is particularly so in view of the fact that the Government only provides 25% of Housing Act loans in any event, the remainder being put up by lending companies. Furthermore, it must be kept in mind that residential building gives every sign of being curtailed for the early stages of the war, at least. So that there was no great volume of apartment house financing in prospect to absorb public funds.

Allows $5,000 Houses

It may also be pointed out that a Housing Act loan of $4,000 would mean that the cost of the house and lot would be $5,000, since loans can be up to 80% of appraised value. Especially in the smaller centres, a house costing $5,000 is not to be sneezed at, even with the rise in building costs since the war started.

However, the curtailment of lending suggested in the Government announcement may be achieved in the final analysis, as the inference of sharp restriction in loans will likely have a psychological effect in discouraging building. The fact remains that no curb has been put on loans for houses costing up to $5,000, or on the special 90% mortgages for homes for owner-occupancy costing $2,500 or less.

Montreal City Shows Surplus

From Our Own Correspondent

MONTREAL. — By transferring $2,438,532 from capital surplus to revenue account the City of Montreal was able to report a surplus of $438,863 for the six months ended Oct. 31.

Excluding capital surplus appropriation, there was a deficit on revenue account of about $2 millions before providing for the city's share of relief costs. The latter, as usual, were capitalized.

Ordinary and extraordinary revenue totalled $23,652,479 and the total including the capital surplus appropriation was $26,091,011. Ordinary and extraordinary expenditures amounted to $25,567,324. Other expenditure totalled $84,825, including $73,761 capital outlay charged to revenue.

Net Debt Increases

During the six months net debt rose $2.9 millions to $206.2 millions. This increase is accounted for by relief expenditures which were capitalized and the use of capital surplus as revenue.

Gross funded debt, after deducting $3.6 millions of bonds repurchased, totals $266.6 millions. Sinking fund reserves amount to $53.7 millions.

Bank loans are shown at $29.3 millions. Of this amount, $6.5 millions was borrowed against collection of revenue; $4.1 millions against amounts owing by the provincial government; $11.5 millions against issuance of long-term bonds; and $7.2 millions for renewal of long-terms loans on maturity.

Tax Arrears Down

Uncollected taxes as at Oct. 31 stood at $24.9 millions. This compares with $29.2 millions a year previous.

The balance sheet shows a claim of $7.2 millions against the Quebec Government for relief expenditures. The city, in turn, owes the province $2.9 millions for its share of hospitalization, etc. In addition, the province has a claim of $1.3 million in regard to relief expenditures which is not shown in the balance sheet and which is being contested by the city.

Brockville Trust Extra of 37½ Cents Declared

The Brockville Trust and Savings Co. has declared an extra dividend of 37½ cents a share on the capital stock, payable along with the regular quarterly dividend of 62½ cents on Jan. 2, to shareholders of record Dec. 20. Similar payments were made in Jan., 1936 and 1939.

Bank Chat

Red Cross Metal

When officials of the Red Cross Society in Toronto took the proceeds of their recent tag day to the bank, they had to transport approximately 2,500 lb. of metal. This included coppers, nickels, dimes, quarters and 50 cent pieces. An official stated that when they got through carrying the money down to the armored car, they were a lot of very tired men.

To save time and as a double check on the count, the Red Cross weighs its receipts of metal money as well as counting it and the measure by weight proves to be surprisingly correct. According to figures obtained from Ottawa the weight of $100 in the different kinds of metal money in circulation in Canada is as follows:

	Lb.	Oz.
Silver, new coins	5	2
Silver, old coins	4	14
Nickels, large	20	..
Coppers, small	71	6
Coppers, large	125	..

Shrinkage in weight owing to use is found only in silver and it is stated to be very small, about four ounces to the $100 worth.

Weight of the different classes of coins collected on tag day were:

	Lb.		Lb.
Coppers, small	430	Quarters	344
Coppers, large	85	50c. pieces	12
Nickels, large	1,160	Misc. silver	30
Dimes	365		

* * *

Closing of three chartered bank branches in Canada is reported in the Bank Directory of Canada for November recently issued. Branches closed were the Nova Scotia at Centreville, N. B. and at St. Peter's P. E. I. and the Nationale at Legal, Alta. No new branches were opened but the sub-agency of the Nova Scotia at Morell, P. E. I. was made a full time office. The net result was that branches in Canada on October 31 totalled 3,322 against 3,324 at Sept. 30.

* * *

Bank Investments

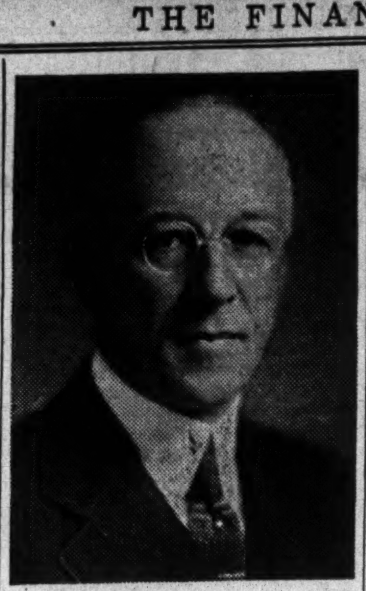
Reason for the great relative growth in bank investments as compared with bank loans in recent years was given by Jackson Dodds, general manager of the Bank of Montreal, at the annual meeting of that institution in Montreal recently. While the demand for commercial credit, he stated, had remained at a relatively low level, the potential supply of credit has increased as a result of the monetary expansion pursued by the Bank of Canada since its establishment in 1935.

"We have consequently had no practical alternative to enlarging our holdings of securities," said Mr. Dodds. In this way he said the operations of the Bank of Montreal with those of other banks, had made the central bank policy effective. He pointed out that the increase in investments had involved difficult problems of management. Not only must a bank's investments be of unquestionably high quality, but also be readily convertible into cash without loss, either to pay depositors or to facilitate lending to business.

Care must also be taken, he stated, to guard against possible reduction in market value. "We have met these requirements principally by maintaining a substantial proportion of our investments in short term category. Over 50% of our holdings of Dominion and provincial securities will mature within two years,"

Weekly Bank Clearings

	Dec. 14 1939 $	Change Year Ago %	Dec. 7 1939 $
Halifax	2,753,943	+15.3	3,217,841
Saint John	1,943,492	+25.0	2,149,742
Moncton	759,957	—14.6	1,115,549
Sherbrooke	711,942	—6.2	853,588
Quebec	4,229,627	—15.7	5,648,668
Montreal	83,812,600	—10.1	122,730,104
Ottawa	18,551,073	+24.5	33,349,829
Peterborough	579,559	—7.8	716,969
Toronto	98,067,228	—4.8	131,131,102
Hamilton	5,541,668	+19.3	6,736,230
Kitchener	1,118,291	+10.1	1,356,562
Brantford	886,340	+1.7	1,130,875
London	2,542,340	+1.5	3,307,382
Sarnia	460,073	+3.0	631,451
Sudbury	1,113,122	+7.2	1,196,219
Fort William	696,756	+8.7	892,101
Winnipeg	79,537,288	+122.0	75,627,533
Brandon	295,363	—9.5	403,096
Regina	4,654,627	+32.3	5,433,573
Moose Jaw	625,861	+12.5	726,761
Saskatoon	1,518,474	+22.2	1,891,693
Prince Albert	347,200	+23.9	423,909
Edmonton	4,263,393	+9.7	5,046,193
Calgary	6,630,012	+3.0	8,325,182
Lethbridge	585,281	—3.9	660,383
Medicine Hat	226,411	+22.6	283,163
N. W'minster	732,964	+16.2	705,268
Vancouver	15,058,331	—9.5	21,129,548
Victoria	1,646,764	+1.9	2,037,645



DIRECTOR

G. Cecil Moore, general manager of the Imperial Life Assurance Co. of Canada has been elected a director. Mr. Moore has been with the company since its inception in 1897.

Weekly Statement Bank of Canada

A further rise of $1.1 million in note circulation was reported by the Bank of Canada in its statement as of Dec. 13. This increase was a continuation of the trend noticed in the previous week, resulting from the greater demand for cash, due to the Christmas trade. Deposits of the Dominion Government were $4.2 millions higher, probably reflecting the sale of gold. Deposits by the chartered banks were down about $800,000. Other deposits, including those by provinces and Quebec savings banks as well as central banks of foreign countries were down $4 millions. This may have been the result of expenditures in this country on war materials.

Balance Sheet

	Dec. 13 1939 $	Dec. 6 1939 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	226,054,992	224,951,361
Rest fund	1,903,515	1,903,515
Depos.: Dom.	43,652,467	39,463,807
Banks	218,389,246	219,129,873
Other	20,329,776	24,096,748
Total deposits	282,371,489	282,690,428
All other liabs.	6,265,945	6,588,808
Total liabs.	521,595,941	521,134,112
Assets		
Reserve: Gold	225,674,987	225,674,987
Res. in sterling and U. S.	57,863,757	56,594,623
Other curr.	667	872
Total reserve	283,539,411	282,270,482
Subsidiary coin	121,968	103,999
Investments:		
Dom. govt. short	185,144,037	185,947,317
Other Dom. govt.	47,290,521	47,111,041
Total invest.	232,434,558	233,058,358
Premises	1,684,809	1,684,861
All other assets	3,815,195	4,016,412
	521,595,941	521,134,112
Reserve ratio	55.76%	55.60%

Staff Changes

The Bank of Nova Scotia announces the following staff change:

H. M. SHERWOOD to be accountant at Somerset & Bronson Streets, Ottawa.

The Dominion Bank announces the following staff changes:

R. M. BOLTON, formerly manager, Parkdale branch, Toronto, to be manager, Sudbury, Ont.

A. N. KIDD, formerly manager, South Oshawa branch, Oshawa, to be manager, Parkdale, Toronto.

G. HEATH ROSS, formerly manager, Sudbury, Ont., to be manager, Whitby, Ont.

J. WALTON, to be manager, South Oshawa, Ont.

The Imperial Bank of Canada announces the following staff changes:

H. G. SCOTT, manager, Rouyn, Que., to be manager, Wellesley & Sherbourne, Toronto.

M. O. HURST, accountant-in-charge, Langton, Ont., to be manager, Langton.

W. H. THOMSON, accountant, Winnipeg, to be assistant manager, Winnipeg.

R. A. GEORGE, accountant, Galt, Ont., to be accountant, Winnipeg.

F. C. ACKERT, assistant accountant, Windsor, Ont., to be accountant, Galt, Ont.

A. E. WHITFIELD, assistant accountant, Winnipeg, to be assistant accountant, Windsor, Ont.

The Royal Bank of Canada announces the following staff changes:

A. BAIRD, manager, Nelson, B.C., to be inspector in supervisor's department, Regina, Sask.

R. F. GRANT, manager, Barrie, Ont., to be manager, Orillia, Ont.

S. A. MADDOCKS, manager, Jasper Ave. W., Edmonton, Alta., to be manager, Nelson, B.C.

W. E. BURCOMBE, assistant accountant, Tramways Terminal, Montreal, to be accountant, Victoria Ave., Westmount, Que.

E. E. C. GUEST, accountant, Yonge & College, Toronto, to be accountant, Bay & Temperance, Toronto.

Ontario Municipalities Nearly Out Of Default

Ontario municipalities are making progress in refunding defaulted debenture debt.

There was more than $105 millions of municipal debentures in default five years ago, Hon. Eric Cross, Minister of Municipal Affairs, announces. Now refunding arrangements have been completed for more than $102 millions of this amount, leaving $2.6 millions to be cleared up during 1940.

Mr. Cross's survey shows that $62.6 millions of indebtedness has already been refunded and that plans covering an additional $40.1 millions have been submitted to the Ontario Municipal Board for approval. Recently a number of plans have been agreed upon, which will leave a relatively small amount of defaulted debt in the province.

Of this remainder, plans are now pending for more than $1 million of debt and preliminary surveys are being carried out in connection with $1.6 million of debt.

Refunded Municipalities

The survey lists the municipalities, which have been completely refunded, as follows:

Cities:
Niagara Falls
Sudbury
Windsor

Towns and Villages:
Kingsville
Long Branch
Midland
Pembroke
Thorold
Blind River
Fort Erie
Leamington
Mimico
Trenton
Leaside
New Toronto
Weston
Penetanguishene

Townships:
Etobicoke
North York
Calvert

Plans have been submitted to the Municipal Board for the following:

Towns and Villages:
Collingwood
LaSalle
Riverside

Townships:
East York
Sandwich East
Scarborough
Sandwich West
York

There are plans pending for Essex and Tecumseh. Preliminaries are being conducted in Eastview, Hawkesbury, Rockland, Sturgeon Falls and Dysart Township.

In regard to future refundings, the Minister of Municipal Affairs states:

"Of the 35 municipalities in default, arrangements have been completed for the refunding of all but seven. I am hopeful that during the next year the refunding of these can be completed and the stigma of default removed entirely from the municipalities of this province."

Mr. Cross believes that it is significant that in all but 20 municipalities which have evolved refunding plans, the Department has been asked to continue a modified form of supervision.

The callable feature that has been incorporated into the new debenture issues is a favorable development, Mr. Cross states. He cites the case of Sudbury, which was able to recall before maturity $219,400 debentures by use of revenues from tax arrears collections.

Mr. Cross states that the municipalities of the provinces have made tremendous strides in recent years, pointing to the fact that since 1933 nearly $90 millions of indebtedness has been retired and tax levies have been steadily reduced.

Sherwin Paint Considers Payment on Arrears

From Our Own Correspondent

MONTREAL.—Directors of Sherwin-Williams Co. of Canada will give consideration about April 1 to payment of $1.75 on the preferred dividend arrears, according to a statement made at the annual meeting by President G. A. Martin.

Business for the first quarter of the fiscal year was indicated to be substantially better than for the like period last year. Raw material costs, however, during the current fiscal year period are estimated at 12% to 12½ higher, President Martin stated.

Insurance

War Premiums Are Claimed Fairest Way

A. B. Wood of Sun Life Discusses Life Assurance in Wartime

Discussing Life Assurance in War Time before the annual meeting of the Life Insurance Presidents in New York last week, A. B. Wood, president and managing director of the Sun Life Assurance Company, stated that some questions had arisen as to why soldiers and sailors, men prepared to give their lives for their country, should be asked to pay an extra premium or accept reduced benefits. Why should not the policyholders of a company as a whole take that extra risk and carry the loss if necessary, was a question frequently encountered. The answer, he said, was that there was no reason for penalizing the policyholders of an insurance company this way and exempting everybody else. The scale of premiums applicable to standard lives, he said, is based on a mortality table, derived from the experience of normal times, which does not provide for the extra hazard of war or other unusual risks.

It is also, he said, the practice of the companies to accumulate and maintain substantial contingency reserves. In peacetime, when the possibility of war is remote, the risk can be undertaken with safety because of these margins and contingency reserves. But once war has become a reality the situation is different. Precautions must be taken, he added, to ensure that new business will be self-supporting.

At Standard Rates

"If during actual warfare, unconditional policies were freely issued at standard rates, practically every enlisted man would take out a substantial amount of insurance. The companies would receive annual premiums averaging about $25 per $1,000 of insurance, while the claims on such policies would probably amount to more than $100 per annum for each $1,000 of insurance. An overwhelming proportion of the total new business would thus become subject to war hazards, and if no provisions were made for meeting those extra hazards, either by charging suitable extra premiums or by limiting the benefits payable, the very solvency of a company might be threatened." In this connection Mr. Wood quoted figures of experience of the United States in the last war when, according to figures published in the Insurance Press, premiums actually collected by the Government, amounted to about $500 millions, claims were approximately $2 billions.

A Public Responsibility

As a matter of fact, he added, the Government provides pensions and allowance to soldiers and their dependents, the value of which is far in excess of the life insurance which most men can afford to carry in peacetime. The cost of such benefits is met by taxation and is borne by the whole population as it should be.

The Canadian war clause, Mr. Wood pointed out, further provides that six months after returning to Canada from service abroad a policyholder becomes again eligible for full benefits under his contract unless he engages in further war service, aviation activity, or travel abroad.

Aviation Clause

The reference to civil aviation, he said, was included in the war clause principally because of the close relationship between the civil and military flying hazards, although it might be handled by a separate endorsement on the policy. The extensive air training programme set up in Canada for the purpose of developing wartime pilots was considered important. Many young men trained for air service in time of war, Mr. Wood believed, might later find that the field of civil aviation offered attractive possibilities for employment. It is this post-war hazard of operating aircraft which accounts for the general reference to civil aviation, he said. "It is the intention under new Canadian policies to exclude the hazards of aircraft operation even after the termination of the war unless an appropriate extra premium be paid," he stated.

Municipal Finances

Toronto will finish the year with a surplus, according to Mayor Ralph Day. Financial report for 11 months of the current year show that $3.1 millions of appropriation has not been spent, and that of an appropriation of $39.2 millions, there has been $36.1 millions expended.

* * *

Hull, Que. has received approval of the Quebec Department of Municipal Affairs to undertake public works to cost nearly $200,000. Of this amount, $135,000 will be for wages and $58,000 for materials.

* * *

Lethbridge, Alta. light and electric utilities both showed increases in surplus in the first 10 months of the year over the same period last year. Surplus of the electric department increased $15,000 to $99,091, while the water department showed a surplus of $21,814, compared with $18,508 in the same period last year.

Obituaries

S. St. B. Harrison, former assistant manager of industrial sales, Sherwin-Williams Co. of Canada, aged 36, at Montreal.

C. W. C. Tyre, manager for Canada, Phoenix Assurance Co. of London, Eng., and associated companies, aged 57, at Montreal.

H. I. Simpson, president and manager, Simpson Coal Co., Toronto, aged 41, at Toronto.

T. E. Thompson, assistant general manager and secretary, National Elevator Co., Winnipeg, aged 47, at Winnipeg.

W. H. Cox, president, W. H. Cox Coal Co., Toronto, aged 76, at Toronto.

JOINS BOARD MONTREAL LOAN

From Our Own Correspondent

MONTREAL.—William C. Finley has been elected a director of The Montreal Loan and Mortgage Co. to fill the vacancy caused by the death of George Rutherfurd Caverhill.

See Larger Market For Life Policies

Expanding Employment of Women in Industry Viewed as Increasing Number of Prospects—Investment and Protective Features Appeal

With prospects that the number of women workers in business and industry will be increased enormously under war conditions, it is expected there will be a tremendous expansion in the sale of life insurance to women.

It was recently estimated that over 12% of all life insurance in force was on feminine lives. The percentage has probably been increased since that estimate was made.

Yet even so, in view of the fact that approximately one woman is gainfully employed to every four men, it would appear that the whole field of life insurance for women has not been thoroughly prospected.

In Canada alone, it is estimated, there are close to 550,000 women drawing wages or salaries compared with 2 million men. To a great many of these women, advantages of insurance are as great as to the men. Consequently it would appear that life underwriters can profitably look over their list of clients and see whether they show one woman to every four men or not.

In Business to Stay

Despite the objections of more conservative minded men, women are in business and industry to stay. This being the case, it is evident that their problems are much the same as those of the average man. Many of them have dependent parents, invalid or juvenile brothers or sisters, orphan nieces or nephews for whom they should provide.

They have their own old age to think about and the need of planning for the time when they will be unable to earn their living any more. Many of them will want to ensure that they will have an income sufficient to enable them to retire before they become unemployable.

To many of these the investment angle probably appeals more than does the strictly insurance one. Yet the two can be readily combined in one policy. The woman with a proper sense of responsibility will see the attraction of making an arrangement that would protect her parents against additional expense should she die, as well as preparing for her own old age.

For the Married Woman

The same thing applies in event of marriage. Most married women know the need of an emergency fund. Death of the mother in a home frequently results in a severe financial strain on the family, especially when children are small and at the time when they should be getting an education.

Apart from that, however, most women know that the insurance policy is a much safer method of saving money than the teapot savings account. They realize that an insurance policy on their own life is a valuable addition to the efforts of the husband to save for their old age.

In view of all the circumstances, agency managers are taking greater cognizance of women as a field for life insurance sales. Especially with the war bound to increase the number of women wage earners materially as well as probably making it earier for many housewives to carry insurance. Both married women and single may be glad of an extra savings account to provide for the rainy day.

Insurance Problems

Knights of Columbus

A friend wants to sell me group insurance in the Knights of Columbus. As I understand it the premiums increase every fifth year till age 55 when they cease. Does my life insurance cease then too?

The Knights of Columbus issues life insurance on what in the earlier years is a five year term plan. That is, your premium is set at a level which holds good for five years. At the end of that time, and every five years following, it is subject to an increase. This is done till you reach 55 years of age. At that time it is stated there is a reserve accumulated which would carry the insurance for a certain length of time. If, however, the policyholder desires to continue his insurance he has three options available, all of them on the level premium basis:

Whole life insurance with the premiums payable as long as the policy is in force.

Whole life insurance with premiums payable for 15 years. This appears to be similar to a 15-year payment life policy.

The Economic Plan, whole life insurance. This is a special plan under which the insured gets full insurance at a special rate up till 61. After that the amount payable under the policy decreases $50 each year till it reaches $250 at age 75 after which it remains constant.

Crown Life Seeks Ruling on Gatineau Bonds

From Our Own Correspondent

MONTREAL.—Crown Life Insurance Co. has taken legal action against the Gatineau Power Co. to have the court interpret terms of a bond transaction.

The insurance company holds $150,000 par value of bonds issued by the power company and payable to bearer. The bonds carry 5% interest, due June 1, 1956, and subject to the defendant company's right to redeem them on any interest date prior to maturity. The entire issue was redeemed June 1, 1939, at 104 and interest.

The point of law to be decided is whether the insurance company is entitled to be paid in U. S. currency rather than in Canadian funds. The defense contention is that the plaintiff company is not entitled to payment in American currency, principally because the bonds were not presented at the proper time and place.

Insurance Notes

Members of the staff of Prudential Assurance Co. of London, England, serving with the British forces in various capacities are stated to number 1,234. In the last war 9,161 of the staff went on active service and 790 died owing to war causes. The company states that on this occasion as in the previous war, it will protect all permanent members of the staff against loss of income, loss of position or seniority on account of enlistment. All vacancies caused by enlistment will only be filled temporarily.

* * *

For the first 11 months of 1939, the Universal Life Assurance and Annuity Co. of Winnipeg reports new premiums written, amounting to $130,000. In the same period the company's investment in Dominion of Canada and Province of Manitoba bonds has been increased by approximately $100,000.

* * *

The Manufacturers Life Insurance Co. of Canada, it is announced, has joined the American Life Convention. Total membership of this association now totals 157, including a number of other Canadian companies.

BANK DIVIDENDS

The Dominion Bank has declared a dividend of 2½% for the quarter ending Jan. 31, 1940, payable February 1 to shareholders of record January 20.

The Canadian Bank of Commerce has declared a dividend of 2% in Canadian funds for the quarter ending Jan. 31, 1940. The dividend is payable February 1, to shareholders of record Dec. 30, 1939.

Agents' Unpaid Balances Up $178,710 in Quarter

According to the Ontario Superintendent of Insurance, there were 1,089 agents in Ontario on Sept. 30, who had been owing premiums for over 90 days to the companies for whom they write business. This compared with 799 in arrears for the same length of time on June 30, and 1,106 a year ago.

The total amount of money outstanding was $414,320, of which $319,194 had been added during the quarter, while $95,125 was previously owing. The total showed an increase of $178,710 over the preceding period. This large increase in unpaid balances was attributed partly to the disturbance caused by the outbreak of war.

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Cash Reserve Advocated To Meet War Uncertainty

Several entrants in The Financial Post's recent contest on "Investing in Wartime" would have their hypothetical businessman leave anywhere from 6% to 25% of the $50,000 fund in the bank. There were others who only hesitated to do this because of fear that this would not qualify as investing $50,000.

Cash in the bank is very nice to have but it indicates neither marked faith in present opportunities to buy securities nor an aggressive policy in handling capital. Many writers on investments and economic matters in recent years have emphasized the part played in the stagnation of the capital markets in this and other countries by insistence on the part of many individuals on maintaining funds in cash.

Best Safeguard

Those who mentioned cash as a desirable holding at present usually emphasized the uncertainties that were clearly apparent to them. One man, for example, pointed out that many unexpected situations may arise in wartime and asked himself what was the best safeguard that he could provide.

"Manifestly," he writes, "it would seem prudent to retain in cash a portion of the total sum as a reserve of unquestioned liquidity."

After adding that 10% of the fund should be a fair reserve for such a purpose he goes on to say:

"It is admitted that a cash reserve would involve disadvantages such as (1) being subject to decrease in purchasing power under possible inflationary conditions; (2) from the income standpoint, a relatively unproductive asset; (3) its vulnerability if the urgencies of war financing should cause extreme measures to be taken. Nevertheless, the possession of this immediately available amount of cash carries with it many offsetting features, not the least of which will be the sense of security which it affords."

Another contestant favored a cash reserve only if his contest-created businessman did not own any real estate. If this was the case he "would suggest that the $5,000 (approximately) at present held in cash be placed in productive land as a primary line of defense against any postwar inflation that might ensue."

Has Programme for Cash

Arguing for his cash reserve of $5,000, this man said: "To be held, pending a less cloudy outlook; if at the end of a year the war seems likely to continue, to be re-invested in 'war baby' stocks; in the event of a sudden peace to be re-invested in peacetime stocks in the resultant declining stock markets."

Another man had a programme worked out whereby he would utilize his cash holdings of $3,000. He argued as follows:

"Because of my belief in readjustment to a new set of conditions, I consider it essential that our investor should retain approximately 6% in cash, so that he may diagnose the trend of events through these initial stages of the war and then act accordingly. This cash account could possibly be used before a year is out should events disclose that no serious dislocation is going to occur, or it is available immediately for a high-grade purchase in the event of a very short war."

One Quarter in Bank

On Oct. 31, 1939, the contestant who would have placed the greatest proportion ($13,200) of his $50,000 in cash wrote as follows in support of his theory:

"Since the stock market has made a rather substantial advance from levels existing in the earlier part of this year, I think it would be wise and prudent to hold one quarter of the fund in reserve (cash) in order to be able to make further purchases at lower levels than now prevail, should a break in the market occur in the near future. The attitude of most investors at this time is definitely optimistic—particularly to industrial stocks—and the prevalence of this attitude alone should be sufficient to caution us against investing the entire fund at this time."

"Were the general attitude one of pessimism and doubt, we could with more confidence invest the entire fund. Therefore, patience should be exercised and one-quarter of the fund held for investment at a more favorable time. Such a time will likely occur."

These examples illustrate the theories behind the advice to hold a portion of the capital funds in cash. The majority did not find such action necessary or advisable but on the contrary devised a more aggressive method to avoid the dangers which others would meet by holding a substantial cash fund.

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Investing in Wartime

Seek Common War-Peace Factors

Offers Inflation Hedge in Food and Heavy Industry Investments

The following article won an Honorable Mention award in the contest on "Investing in War Time." This article gives the investment views of the author, the judges not necessarily endorsing the portfolio as being the best that could be selected for the purpose.

Allan P. Fisher, author of this article, is connected with the Toronto Stock Exchange firm of Allan B. Fisher Ltd.

By ALLAN P. FISHER

While the times may be out of joint, and our hypothetical businessman with $50,000 to invest may be justified in concluding that few periods in history offered more investment imponderables, we must bear in mind that the human angle remains constant. There is nothing new in the goal our investor has set himself.

To quote from the premise laid down by the judges, our man "is investing primarily for protection against the future, but he is ready to accept the ordinary risks of business and investment. Naturally he seeks a fair return on his capital but would also welcome the prospect of capital appreciation."

This is, generally speaking, what the average investor of this type sets out to achieve at any time, and presents no new problem to investment counsel.

Problems arise from the fact that although his goal is normal and average, he is seeking to achieve it at a time when a more or less abnormal peacetime economy, such as has been experienced in the past ten years, is being converted, with breath-taking rapidity, into a wartime economy.

Common Denominators

If it was not clear on Sept. 1 that this war was going to be unlike any war in the history of mankind, it is abundantly clear now. Add to this the vast changes which since 1914 have taken place in the Canadian economy, and it will be clear that precedent may prove a rather unstable crutch on which to lean.

While this transition from "peace" to "war" involves many fundamental changes, there can be found some common threads, some denominators common to both peace and wartime investing. Since these common factors have had a bearing on the accompanying portfolio, it might be as well to review them briefly.

One is security of principal. True, conditions tending to security of principal change mightily in wartime (inflationary tendencies for example), nevertheless the objective is common to both the peace and wartime investor.

Diversification Essential

Diversification is as essential in a wartime portfolio as in peacetime. Diversity, it will be noted, is a feature of the selection I have made.

Another common denominator is that a well managed company in peacetime may be assumed to have a good management in wartime. In wartime the ability of a management to weave a successful course amid kaleidoscopic conditions is tested to the full.

Again, marketability in "war" as in "peace" remains an important factor. In this connection it should be stressed that now more than ever before a man's portfolio should be plastic enough to allow alterations as new conditions arise. Moreover, it should be remembered that what in peacetime may be a comfortably plodding trend, in wartime may become an overnight development, so rapidly do things move.

So much for the more obvious constants between "peace" and "war." What of the broad changes?

Perhaps the broadest change has to do with the first factor mentioned above—security of principal. This is of paramount importance to our businessman, who "is investing primarily for protection against the future." In the dear dead days of "peace" this would have suggested a preponderance of highgrade bonds and fixed income securities in his portfolio, and a relegation to a secondary role of equities, but one of the most certain results of a modern, high-cost war is some degree of inflation, not to mention forced conversions and even repudiations. We have already seen some small degree of inflation in the increase of note circulation—and the war is just sixty days old!

Near Ready Cash

With this in mind, it will be noticed that the accompanying list provides only 14.05% of capital to be invested in medium-term government bonds and only 38.47% in bonds of any kind. Moreover, in the good-grade industrial bonds included, it will be noted that wherever possible the bonds have been selected with an eye to the participating or convertible features.

Briefly, I regard these bonds as a little store of "cash-equivalent" which, because of its liquidity, might possibly come in very handy. Because of their convertible and participating clauses, they are bound to reflect any appreciation in their junior equities, and at the same time provide a rigidity of income and collateral security not present in their associated equities. They eliminate as far as is possible the fixed interest nature of the securities which is considered advisable in view of the possibility of rising interest rates. In bonds of this type, one comes within shooting distance of eating one's cake and having it too.

Butter and Guns

The portfolio includes a proportionately great number of securities in the foods and heavy industries, 19.35% and 22.02% of capital being invested in these two groups respectively. Reasons for this are obvious in the light of the increased importance given to equities, and the necessity for having a commodity hedge against currency inflation. In all these issues, consideration has been given to their previous record and general stability rather than out-and-out speculative possibilities, because our investor is seeking primarily protection against the future.

In the heavy and allied industries, it will be noted, provision has been made to ensure that our investor is capitalizing on farm prosperity and farm mechanization which are logical results of high wartime food prices.

I feel that while opinion may differ widely on the selection of power securities, one cannot ignore an industry which is the basis of almost all of a nation's war time industrial expansion. I feel that the securities I have selected give geographical coverage to this potentiality, have contract advantages, and leverage possibilities.

In the oils I have favored producing companies to the exclusion of distributing concerns because the former, as a result of current proration schedules, have potentially large unprorated resources. They have no direct competitive worries, nor have they the large overhead which distributing companies must carry. Again, being primary producers of an essential product, they may reasonably look for a degree of governmental co-operation.

Diversified Metals

In the matter of base metals, the Canadian investor is particularly fortunate in having such diversified producers as Noranda and International Nickel to tap. Noranda's ability to fluctuate its ratio of copper-gold production to suit price changes in both these metals is well known. Inco's dominance in the important field of nickel and associate metals is a tremendous advantage, and at the same time, due to the extensive research this company has carried on since the first great war, there is reason to believe the dislocation involved in a sudden cessation of hostilities would not have the disastrous effect now as twenty years ago. In the textile field, increased demand, stoppage of competitive imports and stimulus to the use of artificial yarns, make my selection in this group a sound one and one that needs no explanation.

Newsprint Securities

Canada's newsprint industry is being given a chance not only to increase its ratio of output to capacity, but of still more lasting importance, is being given an opportunity to regain the goodwill of its foreign consumers, a goodwill which has been jeopardized in the past. To date, the industry has given every indication that it is fully aware of this opportunity, and has maintained its prices in the face of greatly increased demand resulting from increased consumption and stoppage of Scandinavian exports. In addition, the premium currently being received as result of exchange disparities is an important factor although not necessarily one of long duration.

Golds

My selection of gold stocks pretty well speaks for itself although here again a substitution, such as McIntyre for the Dome holdings, might be considered. On the whole, however, higher labor costs, higher power and equipment costs, plus the vulnerability of gold mining issues to taxation in times of governmental need, make moderation desirable. Any Canadian portfolio should include at least one first-class speculative gold stock, even if it is less than 2% of capital invested, as in this case.

In conclusion, it should again be stressed to our businessman that he is indeed an optimist if he considers a rigid portfolio (one which will need no watching and can be tucked away for a decade) possible in these swiftly changing times. His portfolio should be a managed one. In the attached, however, he is justified in feeling he has a wide variety of securities, all leaders in their respective fields, a maximum degree of security of principal, and an income, without including bonuses or extras, of 4.11% on his capital.

Hedged by Diversifying

$	Bonds	Price Oct. 27 $	Amount Invested $	Income $	Yield %	Total %	Price Dec. 18
5,000	Dominion 3¼/49	100¾	5,037.50	162.50	3.09	10.075	99¾
2,000	Ontario 3¼/47	99½	1,990.00	65.00	3.27	3.98	99¼
*3,000	Canadian Canners 4/51	105	3,150.00	120.00	3.47	6.30	100½
†3,000	Dom. Steel & Coal 6¼/55	117	3,510.00	187.50	4.69	7.02	109
*3,000	Price Bros. 4/57	107	3,210.00	120.00	3.46	6.42	104
3,000	Winnipeg Electric "A" 4-5/65	78	2,340.00	120.00‡	6.60	4.68	74½
			19,237.50	775.00	4.02§	38.475	
Stocks							
Foods							
Shares							
50	Can. & Dom. Sugar	33	1,650.00	75.00	4.55	3.30	34
25	Canada Packers, c.	100	2,500.00	100.00	4.00	5.00	102⅝
50	Ogilvie Flour, c.	35	1,750.00	50.00	2.86	3.50	33¾
50	George Weston, c.	12½	625.00	40.00	6.40	1.25	12½
			6,525.00	265.00	4.06	13.05	
Heavy and Allied Industries							
50	Dom. Foundries, c.	39½	1,975.00	50.00	2.56	3.95	38
25	G. Stl. Wares, 7% p.	91	2,275.00	175.00	7.69	4.55	88
25	Massey-Har., 5% p.	58	1,450.00	....	...	2.90	59¼
25	National Steel Car	72	1,800.00	50.00	2.78	3.60	70
			7,500.00	275.00	3.66	15.00	
Power							
50	Gatineau Power, c.	15¼	762.50	40.00	5.24	1.525	15¾
Oils							
50	Inter. Petroleum	28	1,400.00	100.00	7.14	2.80	23½
25	Royalite Oil	40	1,000.00	25.00	2.50	2.00	34½
			2,400.00	125.00	5.20	4.80	
Base Metals							
50	Inter. Nickel	50	2,500.00	100.00‡	4.00	5.00	45
50	Noranda Mines	79	3,950.00	200.00	5.06	7.90	78
			6,450.00	300.00	4.65	12.90	
Textiles							
50	Can. Celanese, c.	22½	1,125.00	50.00	4.44	2.25	27½
25	Dominion Textiles	90	2,250.00	125.00	5.56	4.50	88¼
			3,375.00	175.00	5.18	6.75	
Pulp and Paper							
50	Gt. Lakes Paper, p.	28½	1,425.00	....	...	2.85	29¼
Golds							
50	Dome Mines	29	1,450.00	100.00‡	6.90	2.90	29
500	Preston East Dome	1.75	875.00	....	...	1.75	2.19
			2,325.00	100.00	4.30	4.65	
			50,000.00	2,055.00	4.11§	100.00	

*Convertible into common stock.

†Convertible into and participating with the Dominion Steel and Coal B.

‡Payable in United States funds.

§Stock yield.

The income shown does not include any bonuses or extra dividends which may be paid.

Analysis by Industry

	%
Government	14.05
Foods	19.35
Heavy and allied industries	22.02
Power	6.20
Oils	4.80
Base metals	12.90
Textiles	6.75
Pulp and paper	9.27
Golds	4.65
	100.00

Quotations in portfolio submitted Oct. 27, approximate current prices inserted in last column for purposes of comparison.

JOINS C.P.R. BOARD

G. Blair Gordon, president of Dominion Textile Co. and a director of the Bank of Montreal, who has been elected to the board of directors of the Canadian Pacific Railway.

A Home that Savings Built

Savings are not just money . . . they are houses, farms, travel, enjoyment of life. Money is only the means to an end. The owner of this home used the facilities of the Canada Permanent to accumulate the money with which to build, and his savings paid for it over a period of time. Thousands are doing the same. Canada Permanent is ready to help you also to SAVE and BUILD. Its faith in the future of Canada has remained unswerving since 1855.

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Mortgage Corporation
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ASSETS EXCEED $69,000,000

Greenshields & Co

Members Montreal Stock Exchange
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TORONTO OTTAWA QUEBEC
SHERBROOKE

37

STOCKS BONDS LISTED AND UNLISTED MINING INDUSTRIAL

Inquiries Invited

HAMBLY, PEAKER & TRENT

Members
THE TORONTO STOCK EXCHANGE

615 DOMINION BANK BUILDING
TORONTO
ELgin 3293

Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.

A. E. OSLER & COMPANY

Established 1886 Members The Toronto Stock Exchange
Osler Bldg., 11 Jordan St. Phone ADelaide 2431

Dominion Woollens Ltd. Operating at Capacity

Business of Dominion Woollens & Worsteds Ltd. in the first eight months of the year showed a marked improvement over former years, according to Century Bond & Management Co.

Both current business and future prospects are very much better than for a number of years, Century Bond states in a circular. For some months the company has been operating at capacity and satisfactory operations are indicated for many months. The better current position is not due primarily to recent Government contracts, but to normal peacetime activities, it is claimed. Important economies that the company has effected have also been responsible for the betterment in profits.

The preferred and common stock of the company was listed on the Toronto Stock Exchange Dec. 12.

We recommend

Periodic EXAMINATION of SECURITIES

Our facilities are available for this important service

HANSON BROS.
INCORPORATED
Established 1883
255 St. James St. West
MONTREAL
OTTAWA TORONTO

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870

DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1938), $11,074,577
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

WHAT SECURITIES FOR 1940?

Suggestions on Request.

F. H. DEACON & CO.

MEMBERS TORONTO STOCK EXCHANGE

197 BAY STREET PHONE ELGIN 3401

F. H. DEACON F. COULTER DEACON H. L. EDMONDS JOHN S. DEACON

JANUARY
WILL

Review your will every January

Every year thousands of wills become obsolete because their makers fail to bring them up-to-date. Hidden away in some safe deposit box, many of these documents bequeath forgotten property to persons who no longer exist and name executors already dead!

Make it a point to review *your* will every January and give careful consideration to changed circumstances. Consider, too, the qualifications of your Executor. The addition of a simple codicil is all that is necessary to secure the administrative services of The Royal Trust Company.

Read the column at the right.

Concerning your Will...

Your will is one of the most important documents you will ever be called upon to execute...

Do not rely on a "home-made" will; the courts are filled with litigation growing out of such mistaken economies...

Have your will drawn by your solicitor and consult one of our officers in advance . . . out of his long experience, he may be able to offer valuable suggestions . . .

You must name an Executor—some person or institution to see that the terms of your will are carried out...

It is a mistake to assume a Trust Company as Executor is expensive...

The moderate fees payable to The Royal Trust Company represent sound economy, for the company's permanence, long experience and financial responsibility often avoid costly mistakes and delays . . .

THE ROYAL TRUST CO.

4001

REMARKS ON WILLS

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING DECEMBER 18

Range 1939 High	Low	Div R'te $	Dec16 Y'ld %		Sales	Last Dec. 11	Week end. Dec. 18 H	L	Cl'se
				A					
3¾	1	.	...	Abitibi	5285	2	2½	1¾	2
21½	3½	.	...	Do. pref. 6%.	8505	13½	14½	14	14¾
38	4	.	...	Do. pref. 7%.	25	30	30	30	30
6	2	.	...	Acme Glove ..	47	6	6	6	6
55	50	3.25	...	Do. pref.	15	55	55	55	55
11½	9½	60+20c	7.3	Agnew Surp..	25	11	11	11	11
111	104	7	6.7	Do. pref.	....	(104 bid 110 asked)			
4¾	1	.	...	Alta. Pac. Gr..	45	2¾	3½	3	3
22	5	.	...	Fraser Cos.	173	19	19½	19	19½
23½	5	.	...	Do. Vot. Tr..	25656	19½	21½	20	20½
.30	.25	.	...	Freiman	....	(— bid — asked)			
38	30	.	...	Do. pref.	....	(10 bid 35 asked)			
16½	11	80+5c	5.4	Gatineau Pwr..	396	15¾	15¾	15½	15¾
96	78	5	5.3	Do. pref.	174	94¾	95	94	94
104	100	5.50	5.4	Do. 5½% pref.	35	101	101¾	101	101¾
6	2½	.	...	Do. Rights ..	175	5¾	5¾	5¾	5¾
12	4½	.	...	Gen. St. Wares.	675	10	10	9½	9¾
92½	55	7	...	Do. pref.	65	88	88	87½	88
90	66	2.50+5	9.5	Goodyear Tire	127	85	83	78	78
58½	52½	2.50	4.5	Do. pref.	120	55	56	54½	54½
50	45	3	6	West Grocers..	....	(50 bid 54 asked)			
114	103½	7	6.4	Do. pref.	10	110	110	110	110
11	10½	50c	4.5	W'minster Pap.	....	(14½ bid — asked)			
13	9¾	80c	6.5	Weston Ltd. ...	780	12¾	12½	12½	12½
96	55	5	5.3	Do. pref.	5	90	95	95	95
24½	17	1	4.2	Wilsils	120	24½	24	24	24
3½	1	.	...	Winnipeg El. A	245	2¼	2¾	2¾	2¾
3½	1	.	...	Do. (B)	176	2½	2½	2	2½
15	6	.	...	Do. pref.	65	12	11½	10¾	11
73½	60	7	...	Wood, A. & J. p	75	73½	73½	70½	73½
51	17½	.	...	Woods Mfg. pf..	20	47	48	48	48
8	4	.	...	York Knitting..	350	7½	7½	7½	7½
100	100	7	7	Do. 1st pref..	....	(100 Jan. 4)			
9½	7	.	...	Zellers	820	9	8½	8½	8½
25	22	1.50	6.5	Do. pref.	455	23½	23	23	23

Quotations: *1938. *1937.
▲On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1939.
† Interim.

Mining Stocks

Week Ending December 18.

Par Val.	Range 1939 High	Low	Company	Sales	Close Dec. 11 (or last)	High for week	Low for week	Close Dec. 18
			A					
1	.04	.01½	Afton..........	500	.01½	.01½	.01½	.01½
No	.65	.24	Aldermac.......	33,900	.35	.42	.33	.39
1	.17	.04½	Amm. Gold......	1,500	.05½	.05	.05	.05
No	3.25	2.00	Anglo-Huronian..	......	(2.30 bid .... asked)			
No	.02	.01	Arno...........	......	(.01 bid .02 asked)			
1	.17½	.05½	Arntfield.......	7,000	.11½	.11½	.08½	.09
1	.10½	.04¾	Ashley.........	7,000	.06	.06	.05	.06
1	.06½	.01	Astoria Quebec...	1,500	.03	.03	.03	.03
1	2.87	1.65	Aunor Gold.....	9,097	2.15	2.28	2.14	2.25
			B					
1	.23	.06	Bagamac........	1,500	.07½	.08	.08	.08

Oil Stocks

Par Val.	Range 1939 High	Low	Company	Sales	Close Dec. 11 (or last)	High for week	Low for week	Close Dec. 18
No	.11½	.02	South End........	8,000	.06½	.07	.06½	.07
No	.75	.25	Southwest Pete ..	100	.41	.40	.40	.40
1	.12	.04	Spooner.........	......	(.11 Sept. 26)			
25c.	.41	.30	Sunset Oil.......	1,000	.35	.33½	.33	.33½
No	.16½	.06	United..........	......	(.07 bid .... asked)			
No	.13	.04½	Vanalta.........	......	(.05 bid .... asked)			
1	.90	.35	Vulcan..........	200	.54	.54	.54	.54
No	.07½	.03	West Flank......	750	.05	.03	.03	.03

Vancouver Stocks

Oil Quotations

Winnipeg Stocks

(Transactions from Dec. 11 to Dec. 16)

	Sales	High for period	Low for period	Close Dec. 16
Athona (new)	1,000	.04¼	.04¼	.04¼
Berens River	250	1.10	1.10	1.10
Central Manitoba	9,000	.04½	.04¼	.04¼
Dominion Envelope	10	6.50	6.50	6.50
Federal Grain, pref.	140	46.50	45.50	46.00
Flin Flon	9,000	.01¾	.01½	.01½
Great-West Life	1	225.00	225.00	225.00
Marvel Oils	4,000	.01½	.01½	.01½
Ore Grande	1,000	.03½	.03½	.03½
Rice Lake	10,000	.01	.01	.01
Sachigo River	35	6.25	6.00	6.00
Thompson Lundmark	500	.20	.20	.20
United Grain	131	9.63	9.25	9.63
West. Steel	530	9.25	9.00	9.00
Western Breweries	400	1.50	1.50	1.50
Western Grain, pfd.	10	8.50	8.50	8.50
Wingold	5,600	.06	.05½	.05¾

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Home Invest. ..	10	..
Beav. Lumber, c.	3⅛	..	Nor. Can. Mtg. p.	2.50	..
Beav. Lumber, p.	100	..	North. Trusts ..	6	..
Can. Indemnity..	125	..	Reliance Gr., pf.	71	..
D. Envelope., pf.	87	90	Traders Bldg. ...	58½	62
Fed. Grain, c. ...	..	3			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Dec. 19	22,200	25,800	362,000	44,230
Dec. 18	24,500	31,200	514,000	74,501
Dec. 16	13,300	13,700	204,000	15,770
Dec. 15*	23,200	26,800	284,000	52,605
Dec. 14	21,700	24,300	349,000	61,821
Dec. 13	31,500	26,600	636,000	36,910

Government Bonds

Dec. 19, 1939 (Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds

%	Due	Bid	Ask	Approx. Yld.
1½	June '40	99¾	100⅛	.80
4½	Sept. '40	102½	102¾	.95
1	Mar. '41	99¼	99¾	1.11
5	Nov. '41	105¾	106¼	1.72
1½	May '42	99	99½	1.70
2	June '42	100½	101	1.60
3	Oct. '42	102½	103	1.90
2½	June '43	101¼	101¾	2.00
5	Oct. '43	109	109½	2.40
2	June '44	99	99½	2.12
a2½	Jan. '44	95½	96½‡	3.25
4½	Oct. ''	108½	109	2.55
2½	Nov. '44	100½	101	2.29
a2½	Aug. '45	95½	96½‡	3.24
4	Oct. '45	104½	105	b2.64
4½	Feb. '46	108¼	109¼	2.85
3½	June '49	99¾	100½	b3.20
3½	Oct. '49	100½	101	b3.27
3½	Nov. '51	98¾	99½	3.32
a5	May '52	106½	‡107½	b1.91
4	Oct. '52	104	104½	b3.35
3	June '55	94¾	95½	3.40
4½	Nov. '56	106½	107½	b3.32
4½	Nov. '57	107½	108	b3.34
3	June '58	93¾	94½	3.42
4½	Nov. '58	107¾	108½	b3.39
4½	Nov. '59	108½	109½	b3.40
a4	Oct. '60	98½	99½‡	4.05
a3½	Jan. '61	89½	90½‡	3.92
3½	June '66	96½	97½	3.41
a3e	Jan. '67	85½	86½‡	3.82
a3e	Nov. '68	85	86‡	3.80
a3†	Perpet'l.	87½	88½	3.40
	Dominion Guaranteed Bonds			
	Can. Nat'l. Railways:			
2	Feb. '43	99½	100½	1.91
2½	Jan. '46	96¾	97¾	2.65
3	May '44	102	103	2.28
3	Dec. '50	96	97	3.32
3	Feb. '53	94½	95½	3.40
3	Jan. '59	93	94	3.42
*4½	Sept. '51	111¾	112¾	3.21

%	Due	Bid	Ask	Approx. Yld.
*4½	Feb. '56	112	113	3.46
c4½	July '57	112½	113½	3.48
*4½	June '55	115	116	3.41
5	Feb. '54	115	116	3.57
*5	July '69	112½	113½	b2.86
*5	Oct. '69	116	117	b3.40
*5	Feb. '70	116	117	b3.45
	Provincial Gov't. Bonds			
	New Brunswick:			
3	Oct. '51	89½	91	3.95
3½	Aug. '49	93½	94½	3.94
3½	June '56	93	94½	3.95
c4	Nov. '47	99½	100½	b3.78
c4½	Apr. '61	103½	105½	4.11
c5	Jan. '60	108	110	4.25
	Nova Scotia:			
3	Jan. '52	92½	94½	3.55
3½	June '56	93½	95½	3.61
3½	Nov. '50	98	99	3.61
c4½	Sept. '52	107	109	b3.18
c4½	Nov. '60	107½	109½	3.84
c5	Mar. '60	112½	114½	3.96
	Ontario:			
2½	May '45	98	100	2.50
3	Apr. '48	96¾	97¾	3.30
3	Nov. '50	95¾	96¾	3.35
3½	Nov. '51	98½	99½	3.32
*4	June '62	104	106	3.61
4½	June '50	108½	109½	3.41
*4½	Jan. '62	111	113	3.64
5	Oct. '48	111½	112½	3.35
*5	Dec. '60	116½	118½	3.72
5½	July '46	111¾	112¾	3.32
	Ont. Hydro Commission:			
3	Aug. '48	96½	97½	3.33
3½	Feb. '53	97¾	98¾	3.37
3¾	Apr. '47	100	101½	3.26
	Prince Edward Island:			
3	Oct. '45	97½	99	3.19
	Quebec:			
3	Nov. '47	95	96	3.58
3	Nov. '51	93½	95	3.51
3½	Mar. '48	96½	97½	3.60

%	Due	Bid	Ask	Approx. Yld.
3½	June '52	94½	96	3.65
4	Mar. '52	100	102	3.80
4½	Aug. '58	103	105	3.87
4½	Jan. '63	106½	108	3.97
	Alberta:			
4	Dec. '54	63½	64½	d
4½	Oct. '51	68	..	d
c4½	Oct. '56	65½	66½	d
*5	Oct. '59	66¾	67¾	d
c5½	Apr. '52	68	69½	d
6	Mar. '47	72	74	d
	British Columbia:			
c4	Dec. '57	99	100	4.00
*4½	Jan. '51	102½	103½	4.10
c4½	Oct. '53	102½	103½	4.18
c5	Apr. '54	104½	106	4.44
5½	Feb. '45	105	106	4.20
6	Feb. '47	107	108	4.67
	Manitoba:			
c4	Dec. '57	87½	89	4.92
c4½	Dec. '56	92	94	5.02
*5	Dec. '59	97¾	98¾	5.10
5½	Oct. '55	98½	100	5.50
6	Apr. '47	101½	102½	5.62
	Saskatchewan:			
4	Sept. '54	72	73½	6.85
4	Nov. '60	71	73	6.35
c4½	Oct. '51	79	81	6.85
c4½	Mar. '60	75	77	6.55
5	Aug. '58	82	84	6.47
5½	Oct. '52	85	87	7.04
6	Mar. '52	88	90	7.22

*Payable Can., N.Y. & £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds.

Unlisted Stocks

Dec. 19, 1939 (Furnished by A. J. Pattison Jr. & Co., Toronto)

Industrials:	Bid	Ask.
Acme Farm., p.	16	..
Andian National	34	35¾
Anglo C. Tel., A	8¾	9
Atlas Steel	..	16½
Do., pref.	102	106
Barrymore, pfd.	20	..
B. C. Pulp, c. ..	19	..
Do., pfd.	49	..
B. C. Sugar	92½	95
Burns & Co., A	8	8¾
Do., B	5½	6½
Canada Tea, pf.	22	24
Can. G'drich, c.	1½	..
C. I. L., A c. ...	243	..
Can. Ing. Rand .	142	145
Can. Tube, 1st p.	70	73
Chase, A. W., p.	26	27
Claude Neon, p.	6½	7½
Cons. Sales B., p	..	74
Cope. Flour Unit	12	..
Dom. Manuf., p.	61	65
Do., com.	4	..
Dunlop T., p. $25	22	23½
Easy Wash. p $10	8½	9½
Fed. Grain, pfd.	45½	46¾
Do., com.	2	2½
Goderich Elev. .	8¾	9½
Guard. Realty .	15	..
Guelph Carp., p.	102	..
Do., com.	15½	..
Hayes Steel, c. .	22	24
Do., pfd. $10 .	10½	11
Hi'land Dairy, p.	72	75
Do., com.	2½	..
Kingston Sh. un.	19	21
Loblaw Inc., c. .	11½	11¾
Morrison Br. un.	5	6
M'row Screw, p.	99½	..
Do., com.	9	..

	Bid	Ask.
Neilson, Wm., c.	7½	..
Do., pfd.	104	..
N. B. Tel., c. ...	12½	13½
N. Meth. Ldy., p	60	66
Office Spec., pfd	72	..
Ont. Tob., pfd. .	..	23½
Paterson Wm., p	103	105
Prov. Paper, pfd	105	107
Reliance Gr., pf.	71	..
Rob'tson, P. L. p	93	..
Rob. Cons. Cone	8	8¾
Ruddy, E. L., p.	28	31
Seal O Sac (Can.)	3	4
Stand. Fuel, c. .	1½	..
Do., pref.	57	60
Stedman Br., $50	57	59
Tor. Carpet, c. .	19	22
Do., pfd.	54	56
Un. F. Co-op. ..	2½	2¾
Un. Steel, A pf.	22½	23
Viceroy, p. & rts	23½	25
Weston Hold. ..	..	6
Trusts & Loan Stocks:		
Brit. Mtge.	151	154
Com. Fin., c. ...	3	3¾
Guaranty Tr. ..	96	100
Guelph & C., $50	53½	55½
Lambton Loan .	31	34
London & West.	38	40½
Sherbrooke Tr. .	120	..
Sterling Trust ..	56½	..
Traders Fin., B c	13	..
Do., A pfd. ...	82	85
Trusts & Guar. .	27½	..
Waterloo Trust .	99	..
Insurance Stocks:		
Brit. Amer.	55	..
Canada Life	455	475

	Bid	Ask.
Confed., 30% pd.	150	154
Crown, fully pd.	260	..
Dominion Fire .	135	..
D. of Can. Gen.	119	125
Empire, 25% pd.	5	6
Excelsior Life ..	57	60
Federal, 25% pd.	51	54
Great-West Life	230	..
Halifax Fire ...	21½	23
Imperial Life ..	295	305
Manufac. Life ..	225	..
Monarch 10% pd	22	24
Sov., L. 25% pd.	12½	14½
Sun Life	380	415
Tor. General ...	5½	6
Wellington Fire.	58	62
Western Assce. .	48	50
Theatre Stocks:		
Allens, Lond., p.	52	54
Do. St. Cath. p	53½	56½
Do., Tor., p. c.	32½	36
Mansf. Theat., p.	27	30
Para., Kitch., p.	52	54
Do., Oshawa, c	11	12
Investment Trust Shares:		
Can. Investors ..	6½	7
Deb. & Sec., pf.	65	..
Inv. Found. Unit	56	..
Sec's. Hold., pf.	21¾	..
United Corp., A	22	24
Do., B	10½	12
Power Issues:		
Can. W. N. Gas .	26	..
Do., pfd.	100	102
Int. Util., 1.75 p.	16	20
Do., 3.50 pfd. .	33	37
Gt. Lakes Pr., p.	101½	103
Mtl. Is. Pwr., p.	21	24
Nor. Ont. Pr., p.	95	..

Unlisted Mines

Toronto, Dec. 19, 1939

	Bid	Ask
Addington	.05½	.06½
Albany R	.19	.21
Allied IS	.43	.45
Amalg K	.16	.17
Amorada	.03½	.05
Anoki	.15	.16
Arjon	.03½	.04
Armistice	.01½	.02½
Argosy	.04½	.04¾
Area	.03½	.04
Athona	.03	.03¾
Barb Lar	.02	.02¾
Beresford	.14	.16
Bilmac	.01½	.02½
Bounty	..	.25
Brown C	..	.75
Buff Bear	.05	.06
Calder Bo	.01	.01½
Can Rad	.13	.15
Central M	.04	.04½
Cheminis	.04	.05
Coin Lake	.06½	.07½
Crescent	.04¾	.05½
Crowshore	.05	.08
Dayton	..	.03
Delnite	1.00	1.05
Desants n	.18	.20
Dona Pat	.13	.15

	Bid	Ask
Donwood	..	.04
Doreva Q	..	.14
Elmos	.05	.07
Franco	.50	.58
Frontier	.02½	.03
Galore	.02½	.03½
Gate Pat	.01	.02
Hallnor	7.25	7.75
Hiawa'ha	..	.22
Hislop	.01	.02
Hoyle new	.35	.37
Hugh PaP	.04½	.05½
Hutch Lke	.01½	.02
Jason	.42	.45
Keora	.03¾	.04½
Kelrowe	.26	.30
Kenricia	.06	.08
Kewagama	.01	.02
Kiena	.11	.13
Kirk Gate	.02	.02½
Lacoma	.03¾	.04½
Lake Duf	.22	.25
Lake Gen	.14	.14½
Lardego	.03½	.04
Magnet C	.81	.83
Magnet L	.16	..
Martin Br	.02½	.03½
Margaret	.10	.12

	Bid	Ask
Mata Can	.04½	.06
Mof Hl n	..	.01½
Mooshla	.06½	.07
Mosher	.06½	.10
Nat Mal	.37	.40
Negus	.70	.80
New Aug	.26	.28
N Ribago	.02¾	.03½
Nickel O	.70	.80
Norbeau	.30	.35
Norwin	.17	.19
Norlake	.01	.01½
North Am Mol'm	..	.75
Oklend	.13	.14
O'Leary	.02	.02¾
Opemiska	.05½	.06½
Oriole	.01¾	.02
Orpit	.04	.06
Ossian	.01½	.02
Pascalis	.20	.25
Pontiac n	.28	.30
Phoenix	.06	.07
Pontiac R (old)	.10	.12
Pelangio	.02	.02½
Polaris	.40	.43

	Bid	Ask
Propri'y	1.85	1.90
Presdor	.03	.03½
Queb Man	.09¾	.10½
Rahn Lke	.26	.30
Rand Ml	.09½	.10
Red Lake	.01½	.02
Rhyolite	.01½	.03
Rose Gold	.06	..
Sachigo	6.00	6.50
Shenango	.03½	.04½
Sheldon	.03½	.05
Siscoe Ex	.02	.03
Skynner	.04	.08
Spooner	.04	.05½
Sunbeam	.18	.20
Springer	.12	.13
Stadacona	.10½	.11½
Thomson	.19	.21
Union Min	.05½	.06½
Vermilata	..	.17
Walker Pt	.03½	.03½
Wells LL	.16	..
West Red	.02	.03
Winoga cum rts	.04	.04½
Woco	.10	.12
Y David'n	.24	.25½

Montreal, Dec. 19, 1939

	Bid	Ask
Beaucourt	..	.08
Cad Exp	.04	.05
Cont Kirk	.05	.06
Cournew	..	.30
Cuniptau	.02½	.03½
Dorval U	..	5.00
Fontana	..	.04
Landor	..	.11
L Rowan	.06	.07
Mar McN	.02½	.03
Plains P	.20	.30
Porc Lake	.02	.03
Obalski	.03	.04
Pan Can	.03½	.04
Routh C	.03½	.04½
Ribago N	.03½	.04
South M	..	.07
Valdor M	.60	.70
Warren'c	..	.03

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

December 19, 1939

Public Utility Issues:	Int. Rate %	Due	Bid Dec. 19	Asked Dec. 19	Bid Dec. 12
†Assoc. Tel. & T.	5½	'55	80	84	81
Beauharnois P.	5	'73	99½	103½	99½
B. C. Power ..	4½	'60	100	104	100
B. C. Tel.	4½	'61	104	108	104
†Calgary Pwr. .	5	'60	103	107	103
Do.	5	'64	102	106	102
†Can. Nor. Pwr.	5	'53	106	110	105½
*Dom. Gas & El.	6½	'45	96½	100½	97
Gatineau Pwr.	5	'49	103	107	103
Do., B	3¾	'69	96½	100½	96
Gt. Lakes Pwr.	4½	'56	100	104	100½
*Int. Hydro-El .	6	'44	85½	89½	87
▲Inter. Power ..	6	'55	98	..	98
Macl'n-Que. Pr	4	'59	95	99	95
Mtl. L. H. & P.	3½	'56	99	103	98½
Do.	3½	'73	93½	97½	94
†Mtl. Tramways	5	'41	93½	97½	94
†Do.	5	'55	67½	71½	67½
Nat. Lt. & Pwr.	6	'49	98½	102½	98½
N. S. Lt. Pr. ..	4	'57	99	103	99
Ottawa H. & P.	4	'57	100	104	100
Ottawa V. Pwr.	5	'59	101½	105½	101½
†Power Corp. ..	4½	'59	98	102	99
Quebec Pwr. ..	4	'62	100½	104½	100½
*Saguenay P., A	4½	'66	105	109	105
Do., B	4½	'66	102	106	103
Shaw. W. & Pr.	4	'61	98½	102½	98½
Union Gas	4½	'50	102	106	102
United Secs. ..	5½	'52	64½	68½	64½
Wpg. El., ser. A	4	'65	74½	78½	74½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	63½	67½	61
Acadia Sugar .	4½	'55	99	103	99
†Alta. Pac. Grain	6	'46	97	101	97
Atlantic Sugar	4	'51	98	102	99
†B. C. P. & Pap.	6	'50	77	81	78½
*Brown Co.	5½	'46	54½	58½	51
Burns & Co. ..	5	'58	66½	70½	66
Canada Bread .	6	'41	105	109	105
Canada Cement	4½	'51	102	106	102
Can. Paper	4½	'52	98	102	98
Can. Steamship	5	'57	90	94	90
Can. Canners .	4	'51	101	105	101
*Can. Int. Paper	6	'49	99½	103½	98½
†Candn. Vickers	6	'47	67	71	69
C. P. R.	3½	'51	83½	87½	84½
Do.	4	'49	85	89	86½
Do.	4½	'44	92	96	93½
Do.	6	'42	101	105	101
†Consol. Paper .	5½	'61	61	65	59
Dom. Coal	4½	'52	99	103	99
Dom. Stl. & Co.	6½	'55	108	112	109
Dom. Tar	4½	'51	99½	103½	100½
†Donnacona P. .	4½	'56	81½	85½	79
Famous Players	4½	'51	98½	102½	98½
†Federal Grain .	6	'49	97½	101½	98
†Fraser Cos. ...	6	'50	96	100	96
Gen. Stl. Wares	4½	'52	98	102	98
*Great Lakes P.	5	'55	90½	94½	90½
†Gypsum, Lime	5½	'48	98½	102½	98½
Ham. By-Pr. C.	5	'55	100	104	100½
Inter-City Bak.	5½	'48	101	105	101
*Inter. P., Nfld.	4½	'68	95	99	96
Lake St. J. P. .	5½	'61	88	92	87
Maple Leaf M.	3	'58	73½	77½	74
Massey-Harris	4½	'54	92½	96½	93
McColl-Fron. .	4½	'49	100½	104½	100½
McCormick's .	4	'52	90	94	89½
*M. & O. Paper	6	'45	47	51	46
Nat. Grocers ..	4	'47	101	...	101
N. S. Stl. & Co.	3½	'63	80½	84½	80½
Price Bros. ...	5	'57	95½	99½	96
*Prov. Paper ..	5½	'47	102	106	102
Reliance Grain	4½	'52	92½	96½	92½
Restigouche Co.	6	'48	97	101	97½
Rolland Paper	4½	'51	101	105	101
Simpsons Ltd..	4½	'51	98½	102½	98½
Smith, Howard	4½	'51	101½	105½	101½
†Steel of Can. .	6	'40	111	115	111
*United Gas ...	5½	'48	102	106	102
United Gr. Grs.	5	'48	96½	100½	96½
†Western Grain.	6	'49	48	52	46½

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
▲Payable in Can. or U. K.
*Payable in U. S. only.

Municipal Bonds

Dec. 19, 1939

†Halifax ...	5	1961	110.00	112.00	4.15
Hamilton .	5	1950	110.60	112.60	3.55
Montreal ..	5	1945	99.50	101.00	4.78
Ottawa ...	4½	1943	105.65	107.65	3.00
†Quebec ...	5	1959	105.00	107.00	4.46
Saint John	5	1950	106.00	108.00	4.09
†Toronto ...	4½	1955	110.85	112.85	3.40
†Vancouver.	5	1950	98.00	102.00	4.75
Winnipeg .	5	1944	101.00	104.00	3.96

†Payable Can. and N.Y.

Mining Dividends

		Close Dec. 18	Yield %
Beattie Gold	15c	1.03	14.5
Bralorne	80c+40c	10.87	*11.1
Buffalo Ankerite	75c	7.75	9.7
Bulolo Gold	$3	24.00	12.5
Can. Malartic	9c	.78	11.8
Cariboo Gold ...	18½c+7½c	2.10	*12.4
Central Patricia	16c+5c	2.32	*9
Coniagas	25c	1.60	..
Coniaurum	16c	1.75	9.1
Cons. Smelters	$1+$1	47.75	*4.2
Dome Mines	$2	29.00	6.9
Falconbridge	30c	4.00	7.5
God's Lake	†5c	.61	..
Goldale	†2c	.18½	..
Gunnar Gold	6c	.48	12.5
Hard Rock	†4c	1.28	..
Hollinger	65c+45c	14.50	*7.5
Howey Gold	5c	.37½	13.3
Hudson Bay	$1.75	32.25	5.4
Inter. Mining	45c	9.87	4.5
Inter. Nickel, com.	$2	45.00	4.4
Island Mountain	15c	.86	17.4
Kerr Lake	15c	.50	..
Kirkland Lake	8c+2c	1.41	*7.1
Kootenay Belle	16c+2c	.72	..
Lamaque Gold	40c+17c	7.00	*8.1
Lake Shore	$3.75	27.00	13.9
Leitch	8c	.84	9.5
Little Long Lac	30c	2.99	10
Macassa	20c+12½c	4.25	*7.6
McGillivray Coal	3c	.23	..
McKenzie Red L. ..	12c+2c	1.29	*10.8
McWatters	10c	.55	..
Moneta	12c	.87	13.8
McIntyre Porc.	$2+$1	56.25	*5.3
Nipissing	15c	1.23	12.1
Noranda	$4	78.00	5.1
North Empire	75c	9.50	7.9
O'Brien Gold	20c	1.50	13.3
Pamour Porc.	12c	2.02	5.9
Pato Cons.	20c	2.35	..
Paymaster	2c	.40	..
Perron Gold	16c+4c	1.86	*10.7
Pioneer, B.C.	40c	2.25	17.7
Pickle Crow	40c	4.20	9.5
Placer Develop.	$1.20	13.00	9.2
Premier	12c	1.40	8.6
Preston E. Dome	†5c	2.19	..
Privateer Mine	20c+2c	.91½	..
Powell Rouyn	5c	2.01	..
Quebec Gold	†2c	.27	..
San Antonio	14c	2.40	6
Sheep Creek	16c+3c	1.20	*15.7
Silbak Prem.	16c	1.25	12.8
Siscoe	12c+1c	.80	*16.2
Sudbury Basin	5c	1.09	..
Sullivan Conss.	6c+1c	.72	*9.7
Sylvanite Gold	20c+5c	3.30	*7.6
Teck-Hughes	40c+3c	4.00	*10.7
Toburn	8c+8c	1.80	*8.9
Ventures	15c	4.35	3.4
Wright-Harg.	40c+30c	7.85	*8.9

*Yield including bonus. †Initial.

Investment Trusts

	Bid	Asked
Affiliated Fund	3.67	4.02
Can. Inv. Fund	4.10	4.50
Can. Amer. Trust	3.85	4.10
All Can. Trustee	12.85	13.60
Grouped Income	....	6.00
Trans-Canada Shs.	12.55	13.65

Public Utility Earnings

British Columbia Power Corp.

November

	1939 $	1938 $
Gross earnings	1,358,612	1,291,341
Expenses	950,214	902,745
Int., pfd. divs., etc. ..	188,665	190,401
Bal. for A stock	219,733	198,195
Five Months Ended Nov. 30		
Gross earnings	6,581,868	6,267,845
Expenses	4,753,092	4,493,717
Int., pfd. divs., etc. ..	943,328	951,203
Bal. for A stock	885,448	822,925

Foreign Exchange

During the week Dec. 12 to Dec. 18 there was no change in the quotation of the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Dec. 18

Australia .	3.58	Italy	.0561
Belgium ..	.1848	N. Zealand	3.61
Denmark .	.2145½	Norway ..	.2523
France ...	.0249	S. Africa .	4.47
Holland ..	.5900	Sweden ..	.2623
Hungary .	.1954	Hong Kong	.2750
India	.3332		

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, pf.	$1.75	Jan. 2	Dec. 15
Asbestos Corp.	15c	Dec. 31	Dec. 15
Do., bonus	35c	Dec. 31	Dec. 15
Amer. Cyan., A, B	†15c	Jan. 2	Dec. 15
Do., pref.	†12½c	Jan. 2	Dec. 15
Assoc. Brew., pref.	$1.75	Jan. 1	Dec. 20
Acme Glove, pf.	$3.25	Jan. 2	Dec. 15
Ajax Oil	1½c	Dec. 29	Dec. 19
Bell Telephone	$2	Jan. 15	Dec. 23
Bralorne Mines	20c	Jan. 15	Dec. 30
Do., extra	10c	Jan. 15	Dec. 30
Brit. Amer. Oil	25c	Jan. 2	Dec. 16
Brazil. Traction, p.	$1.50	Jan. 2	Dec. 15
Burlington Steel	15c	Jan. 2	Dec. 15
Buff. Ankerite	12½c	Jan. 2	Dec. 15
Belding-Cort.	$1	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 2	Dec. 15
Bk. of N. Scotia	$3	Jan. 2	Dec. 16
Beatty Bros., 2nd p.	$3.50	Jan. 2	Dec. 15
Blue Top Brew., A	30c	Dec. 30	Dec. 15
B. C. Power, A	50c	Jan. 15	Dec. 31
Building Prod.	17½c	Jan. 2	Dec. 15
Do., extra	10c	Jan. 2	Dec. 15
Brant. Cordage, pf.	32½c	Jan. 15	Dec. 20
Brit. Mtge. & Tr.	$4	Jan. 2	Dec. 15
B. C. Elec. P. & G. p	$1.50	Jan. 2	Dec. 20
B. C. Telephone, p.	$1.50	Jan. 1	Dec. 16
Brockville Trust	62½c.	Jan. 2	Dec. 20
Do., extra	37½c	Jan. 2	Dec. 20
Brown Cons. Pete.	1¼c	Dec. 29	Dec. 21
Can. Cycle, c.	25c	Dec. 31	Dec. 15
Do., extra	25c	Dec. 31	Dec. 15
Can. Cycle, pfd.	$1.25	Dec. 31	Dec. 15
Cent. Can. Loan	$2	Jan. 2	Dec. 15
Cent. Pat. Gold	4c	Jan. 2	Dec. 15
Do., extra	2c	Jan. 2	Dec. 15
Can. Breweries, pf.	50c	Jan. 2	Dec. 15
Cosmos Imp., pref.	$1.25	Jan. 15	Dec. 30
Can. Cottons	$1	Jan. 2	Dec. 15
Do., pref.	$1.50	Jan. 2	Dec. 15
Can. Gen. Elec.	$1.50	Jan. 1	Dec. 15
Celanese of Amer.	♦	Dec. 22	Nov. 17
Do., part. pf.	$3.50	Dec. 31	Dec. 15
Do., prior pfd.	$1.75	Jan. 1	Dec. 15
Can. Perm. Mtge.	$2	Jan. 2	Dec. 15
Chart. Trust	$1	Jan. 2	Dec. 15
Do., extra	$1	Jan. 2	Dec. 15
Can. Bread, 1st pf.	$1.25	Jan. 2	Dec. 15
Do., B pref.	62½c	Jan. 2	Dec. 15
Do., arrears	37½c	Jan. 2	Dec. 15
Can. Tube & Stl., p.	$3	Dec. 15	Dec. 8
Can. North. Pwr.	30c	Jan. 25	Dec. 30
Do., pref.	$1.75	Jan. 15	Dec. 30
Can. West'ghouse	37½c	Jan. 2	Dec. 20
Cariboo Gold	4c	Jan. 2	Dec. 6
Do., bonus	2c	Jan. 2	Dec. 6
Canada Packers	75c	Jan. 2	Dec. 15
Can. Celanese	25c	Dec. 30	Dec. 15
Do., extra	$1.50	Dec. 30	Dec. 15
Do., pref.	$1.75	Dec. 30	Dec. 15
Do., inc. fd. rights	$1	Mar. 15	Dec. 31
Crow's Nest Coal	$1.50	Dec. 23	Dec. 1
Can. For. Inv., p.	$2	Jan. 1	Dec. 15
Confed. Life	$1.50	Dec. 31	Dec. 25
Can. Canners, pfd.	25c	Jan. 2	Dec. 15
Do., 2nd pfd.	15c	Jan. 2	Dec. 15
Canadian Oil, pf.	$2	Jan. 2	Dec. 20
Can. Silk Prod., A	37½c	Jan. 2	Dec. 15
Can. Wire. Box, A	37½c	Jan. 2	Dec. 15
Canada Bud	20c	Dec. 20	Dec. 14
Cons. Smelters	50c	Dec. 30	Dec. 9
Do., extra	$1	Dec. 30	Dec. 9
Comm. Alcohols, p.	10c	Jan. 15	Jan. 2
Cons. Bakeries	25c	Jan. 2	Dec. 16
Do., extra	25c	Jan. 2	Dec. 16
Carnation, 1st pf.	†$1.25	Jan. 2	Dec. 18
Coronation Rylts.	•	Jan. 3	Dec. 20
Canada Trust	$5	Jan. 2	Dec. 15
Can. Fairbanks, pf.	$1.50	Jan. 15	Dec. 30
Can. Light & Pr.	50c	Jan. 15	Dec. 26
Consumers' Gas	$2.50	Jan. 2	Dec. 15
Can. Bk. of Com.	$2	Feb. 1	Dec. 30
Can. Fire Ins.	$2	Jan. 2	Dec. 20
Crown Trust	$1	Dec. 29	Dec. 23
Can. & For. Secs.	6c	Feb. 1	Jan. 16
Can. Gen. Invest.	12½c	Jan. 15	Dec. 30
Can. Industries, A B	$2.75	Dec. 26	Dec. 20
Do., pref	$1.75	Jan. 15	Dec. 30
Disher Steel, pfd. A	$1	Dec. 28	Dec. 20
Dominion Bank	$2.50	Feb. 1	Jan. 20
Dom. Foundries, c.	25c	Jan. 2	Dec. 20
Debent. & Sec., p.	$5	Jan. 2	Dec. 23
Dom. Textile	$1.25	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 15	Dec. 30
Dist. Seagram, p.	†$1.25	Feb. 1	Jan. 15
David & Frere, A	15c	Dec. 30	Dec. 15
Do., extra	10c	Dec. 30	Dec. 15
Do., bonus	25c	Dec. 30	Dec. 15
Dunlop Tire, c.	50c	Dec. 30	Dec. 15
Do., 1st pref.	62½c	Dec. 31	Dec. 15
Dom. Coal, pfd.	38c	Jan. 2	Dec. 15
Dom. Glass	$1.25	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 2	Dec. 15
East. Can. Sav.	$1.50	Jan. 2	Dec. 29
Do., extra	$1	Jan. 2	Dec. 29
Eastern Trust	$2	Jan. 2	Dec. 20
East. Steel, pfd.	25c	Jan. 1	Dec. 15
East. Steel, c.	$1	Feb. 1	Jan. 15
Frontier Rylts.	•	Jan. 3	Dec. 20
Falconbridge N.	7½c	Dec. 29	Dec. 6
Famous Players	25c	Dec. 28	Dec. 18
Granville Oils	.00½	......	Dec. 19
Gatineau Pwr.	20c	Dec. 30	Dec. 1
Do., extra	5c	Dec. 30	Dec. 1
Do., 5% pref.	$1.25	Jan. 1	Dec. 1
Do., 5½% pref.	$1.38	Jan. 1	Dec. 1
Goodyear Tire	63c	Jan. 2	Dec. 15
Do., pref.	62½c	Jan. 2	Dec. 15
Great-West Life	$3.75	Jan. 2	Dec. 20
Gt. W. Saddlery, 1 p.	$3	Dec. 27	Dec. 21
Greening Wire	15c	Jan. 2	Dec. 15
Guaranty Trust	$2.50	Jan. 15	Dec. 31
Gen. Trust, pfd.	$1.50	Jan. 2	Dec. 23
Goderich Elev.	25c	Jan. 2	Dec. 15
Gt. Lakes' Pwr., pf.	$1.75	Jan. 15	Dec. 30
Guelph & Ont. Inv.	$1.50	Jan. 2	Dec. 20
Guelph Trust	$1.25	Jan. 2	Dec. 20
Hudson's Bay, pfd.	2½%	Jan. 2	Dec. 31
Howe Sound	†75c	Dec. 23	Dec. 19
Do., extra	†50c	Dec. 23	Dec. 19
Harding Carpets	10c	Jan. 2	Dec. 18
Do., extra	5c	Jan. 2	Dec. 18
Hard Rock Gold	4c	Dec. 30	Dec. 16
Ham. Cotton, pf.	50c	Jan. 2	Dec. 15
Huron & E. Mtge.	1%	Jan. 2	Dec. 15
E. Smith Pap., pf.	$1.50	Jan. 15	Dec. 31
Ham. Un. Thea., p.	$1.50	Dec. 30	Nov. 30
Hollinger Cons.	5c	Dec. 30	Dec. 15
Do., extra	5c	Dec. 30	Dec. 15
Indust. Mtge.	$1	Jan. 2	Dec. 15
Inter. Power, pref.	$1.50	Jan. 2	Dec. 15
Inter. Nickel, pfd.	†$1.75	Feb. 1	Jan. 2
Do., com.	†50c	Dec. 30	Dec. 1
Imperial Tob., ord.	10c	Dec. 30	Dec. 8
Indust. Accept., A	50c	Dec. 30	Dec. 15
Do., pref.	$1.25	Dec. 30	Dec. 15
Inter. Milling, pf.	†$1.25	Jan. 15	Dec. 30
Imperial Bank	$2.50	Feb. 1	Dec. 30
Int. Bronze	37½c	Jan. 15	Dec. 31
Do., pref.	37½c	Jan. 15	Dec. 31
Intercol. Coal	$2	Jan. 2	Dec. 21
Do., pref.	$4	Jan. 2	Dec. 21
Inv. Found., pf.	75c	Jan. 15	Dec. 30
Do., arrears	50c	Jan. 15	Dec. 30
Jam. Pub. Serv.	50c	Jan. 2	Dec. 22
Do., pref.	$1.75	Jan. 2	Dec. 22
Lambton Loan	$1	Jan. 2	Dec. 15
Lamaque Gold	10c	Jan. 1	Dec. 8
Landed Banking	$1	Jan. 2	Dec. 15
Lang, John A.	17½c	Jan. 2	Dec. 15
Mansfield Theat. pf.	$1.75	Dec. 29	Dec. 20
Mercantile Trans., pf.	3%	Dec. 31	Dec. 20
Mtl. Refrig. & S., p.	$1.25	Dec. 27	Dec. 19
Midland Loan	40c	Jan. 2	Dec. 15
Moneta Porc.	3c	Jan. 15	Dec. 30
Mtl. C. & D. Sav.	$3	Jan. 2	Dec. 15
Do., extra	$1	Jan. 2	Dec. 15
McColl-Front., pf.	$1.50	Jan. 15	Dec. 30
McManus Pete., p.	30c	Jan. 3	Dec. 26
Do., com.	30c	Jan. 3	Dec. 26
McIntyre Porc., extra	$1	Jan. 2	Nov. 1
Melchers, pref.	30c	Dec. 30	Dec. 15
Mtl. L., H. & Pwr.	38c	Jan. 31	Dec. 30
Mtl. Tramways	$1.50	Jan. 15	Jan. 4
Mitchell, J. S., p.	$1.75	Jan. 2	Dec. 15
Mod. Containers	20c	Jan. 2	Dec. 20
Do., pref.	$1.37½	Jan 2	Dec. 20
Moore Corp.	40c	Jan. 2	Dec. 7
Do., extra	60c	Jan. 2	Dec. 7
Do., pref. A, B	$1.75	Jan. 2	Dec. 7
National Brew.	50c	Jan. 2	Dec. 15
Do., pref.	43c	Jan. 2	Dec. 15
Nat. Grocers, pf.	37½c	Jan. 1	Dec. 15
Nat. Steel Car	50c	Jan. 15	Dec. 30
Niag. W. Weav.	35c	Jan. 2	Dec. 15
N. S. Light Pr., ord.	$1.50	Jan. 2	Dec. 16
National Trust	$2	Jan. 2	Dec. 20
North Star Oil, p.	8¾c	Jan. 2	Dec. 18
Ogilvie Flour, c.	25c	Jan. 2	Dec. 18
Ont. Loan & Deb.	$1.25	Jan. 2	Dec. 15
Ottawa L. Pr.	25c	Jan. 1	Dec. 6
Do., pref.	$1.25	Jan. 1	Dec. 6
Page-Hersey	$1	Jan. 2	Dec. 15
Do., extra	50c	Jan. 2	Dec. 15
Paymaster Cons.	1c	Jan. 5	Dec. 23
Para. Pictures, pf.	†$1.50	Dec. 26	Dec. 8
Do., 2nd pref.	†15c	Dec. 26	Dec. 8
Power Corp., pfd.	$1.50	Jan. 15	Dec. 30
Do., 2nd pref.	75c	Jan. 15	Dec. 30
Pioneer Gold	10c	Jan. 2	Nov. 30
Pickle Crow	10c	Dec. 30	Dec. 15
Porto Rico, pf.	$1.75	Jan. 2	Dec. 15
Premier Gold	3c	Jan. 15	Dec. 18
Preston E. Dome	5c	Jan. 15	Jan. 5
Price Bros., 1st p.	$1.37½	Dec. 30	Dec. 19
Do., arrears	$1.37½	Dec. 30	Dec. 19
Powell Rouyn G.	5c	Jan. 15	Dec. 30
Quebec Power	25c	Feb. 15	Jan. 25
R. S. Mills, A	50c	Jan. 2	Dec. 15
Real Est. Loan	$1	Jan. 2	Dec. 15
Remington Rand, c.	20c	Jan. 2	Dec. 11
Do., pref.	$1.12½	Jan. 2	Dec. 11
Russell Ind.	$1.75	Dec. 30	Dec. 15
Do., pref.	$1.75	Dec. 30	Dec. 15
Sher.-Williams, p.	$1.75	Jan. 2	Dec. 15
Stand. Steel, p.	75c	Jan. 1	Dec. 15
Sylvanite G.	†5c	Dec. 30	Nov. 18
Supersilk H., pfd.	$2.50	Jan. 2	Dec. 15
South. Can. Pr., p.	$1.50	Jan. 15	Dec. 20
Do., com.	20c	Feb. 15	Jan. 31
Secs. Holding, pf.	65c	Jan. 2	Dec. 20
Sterling Trusts	$1.50	Jan. 2	Dec. 20
Supertest P., ord. c.	50c	Jan. 2	Dec. 15
Do., extra	50c	Jan. 2	Dec. 15
Do., pref. (B)	75c	Jan. 2	Dec. 15
Sun Life	$3.75	Jan. 1	Dec. 16
Stand. Fuel, p.	$1	Jan. 1	Dec. 15
Stedman, pref.	75c	Jan. 2	Dec. 15
Do., com.	15c	Jan. 2	Dec. 20
Sheep Creek G.	4c	Jan. 15	Dec. 30
Do., bonus	1c	Jan. 15	Dec. 30
Traders' Bldg.	$1.50	Dec. 15	Dec. 11
Tip Top Tailors	15c	Jan. 2	Dec. 16
Do., pref.	$1.75	Jan. 2	Dec. 20
Thayers, pref.	$3.50	Jan. 1	Dec. 16
Toronto Mtge.	$1.50	Jan. 2	Dec. 15
Tamblyn	20c	Jan. 2	Dec. 14
Do., pref.	62½c	Jan. 2	Dec. 14
Tor. Gen. Trusts	$1	Jan. 2	Dec. 16
Teck-Hughes	10c	Jan. 1	Dec. 8
Traders Fin., A rts.	$1	Jan. 2	Dec. 15
Do., B rights	$1	Jan. 2	Dec. 15
Do., 6% pref.	$1.50	Jan. 2	Dec. 15
Do., 7% pref.	$1.75	Jan. 2	Dec. 15
United Fuel, A pf.	75c	Jan. 2	Dec. 20
Viau, pref.	$1.25	Jan. 2	Dec. 20
Vulcan Oils	5c	Jan. 10	Dec. 20
Wabasso Cotton	38c	Jan. 2	Dec. 23

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 212

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st January, 1940, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st February next, to shareholders of record at the close of business on the 30th December, 1939. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT,
General Manager.
Toronto, 15th December, 1939.

The Dominion Bank

Dividend No. 229

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending January 31st, 1940. The dividend will be payable at the Head Office of the Bank and its Branches on and after Thursday, the first day of February, 1940, to shareholders of record of the 20th January, 1940.

By Order of the Board,
ROBERT RAE,
General Manager.
Toronto, 14th December, 1939.

The Bank of Nova Scotia

Notice is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis and Prince Streets, Halifax, on Wednesday, the 24th January next, at eleven o'clock, a. m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By Order of the Board,
H. F. PATTERSON,
General Manager.
Halifax, N.S.
December 12th, 1939.

The Wabasso Cotton Company, Limited

Notice of Dividend

A dividend of thirty-eight cents per share has been declared on the capital stock of The Wabasso Cotton Company Limited, payable 2nd January, 1940, to shareholders of record as at close of business on 23rd December, 1939.

By Order of the Board,
H. W. CAPEL,
Secretary-Treasurer.
Montreal, Que.,
14th December, 1939.

The Great West Saddlery Company Limited

6% Cumulative First Preferred Stock ($50.00 Par Value)

A dividend of six percent (6%) per annum, or Three Dollars ($3.00) per share being the accumulated dividend for twelve months ending April 1st, 1939, has been declared and authorized to be paid on December 27th, to all First Preferred shareholders of record with the Transfer Agents of the Company at the close of business on December 21st, 1939.

By order of the Board,
J. C. BROADFOOT,
Secretary.
Winnipeg, Man.,
December 11th, 1939.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by Provincial Paper Limited, payable January 2nd, 1940, to Shareholders of record as at close of business December 15th, 1939.

(Signed) W. S. BARBER,
Secretary-Treasurer.
Toronto, Ontario.

Sheep Creek Gold Mines Limited

(Non-Personal Liability)

Notice of Dividend No. 15

Notice is hereby given that a Quarterly Dividend of four cents per share and a special bonus of one cent per share have been declared on the paid-up Capital Stock of the Company, payable on the 15th day of January, 1940, to shareholders of record at the close of business on the 31st day of December, 1939.

Persons holding certificates not registered in their name, commonly known as "street" certificates, should have them registered in their name by the Company's transfer agents, Prudential Trust Company Limited, at their office, 475 Howe Street, Vancouver, B.C., or at their office, 217 Bay Street, Toronto, Ontario, on or before 31st December next.

By Order of the Board.
JAMES ANDERSON,
Secretary.
Vancouver, B.C.,
December 14, 1939.

DIVIDEND

CHARTERED TRUST AND EXECUTOR COMPANY

Notice is hereby given that a dividend of 1% for the current quarter, and 1% additional for the year ending December 31st, 1939 has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company, payable January 2nd, 1940, to Shareholders of record at the close of business December 15th, 1939.

By Order of the Board.
E. W. McNEILL,
Secretary.
Dated at Toronto,
November 16th, 1939.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.50 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

2nd January, 1940,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By Order of the Board,
WALTER GILLESPIE,
Manager.
7th December, 1939.

Dividends Declared (Cont'd)

Waterloo Trust	$2.50	Jan. 2	Dec. 23
West. Koot. Pr., p.	$1.75	Dec. 30	Dec. 20
Weston, Geo., c.	20c	Jan. 2	Dec. 15
West. Grocers	75c	Jan. 15	Dec. 20
Do., pref.	$1.75	Jan. 15	Dec. 20
Wilsil	25c	Jan. 2	Dec. 15
Wr.-Hargreaves	†10c	Jan. 2	Nov. 23
Do., extra	†5c	Jan. 2	Nov. 23
Do., interim	†10c	Jan. 15	Dec. 1

♦At rate of 1 sh. for each 40 shs. held.
†Payable in U. S. funds. ▲Repayment of drilling loan; rate not yet stated.
•Proceeds from production; rate not yet stated.

Commodity Prices

Commodity prices generally continue to rise. Competitive buying which had been lacking for some time again made its appearance as the feeling grew that under war conditions all available supplies would be needed.

Wheat was stronger on an improved export demand combined with the unsatisfactory condition of the United States winter crop. In livestock, light supplies of cattle brought a firmer market.

In the industrial group buying by manufacturers was the main factor, though speculators were also buying freely in silk, rubber and cotton.

	Latest week	Previous week	Same week last yr.
Cattle	$7.75	$7.50	$7.00
Hogs	9.50	9.50	9.50
Copper, lb.	.13	.13	.11¼
Cotton, lb.	.1140	.1069	.0866
Rubber, lb.	.2055	.1997	.1625
Sugar, raw, lb.	.0295	.0295	.0285
Silk, lb.	3.86	3.62	.182
Wheat, Man. (bu.)	.87¼	.79⅝	.59½
Coffee, lb.	.05⅛	.05¼	.05¼
Hides	.14¾	.14½	.11½
Weekly Indices			
Canada (D.B.S.)	80.8	80.2	73.3
Do., Wood, Gundy	68.0	66.9	54.6
U. S. Labor	79.0	78.8	77.1
Dow Jones (future)	63.70	59.59	47.67
Fishers'	85.2	84.9	79.8
Monthly Indices			
Canada (D.B.S.):			
Retail (Nov.)	85.0	84.7	83.8
W'sale (Oct.)	79.3	78.2	74.1
U. S. (Sept.)	79.1	75.0	78.3
Gt. Brit. (Sept.)	105.2	98.1	98.4

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Silk — Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis. Hides — No. 1 packer light.

DIVIDEND NOTICES

Montreal Light Heat & Power

CONSOLIDATED

94th Quarterly Dividend

NOTICE IS HEREBY GIVEN that a dividend of thirty-eight cents per share (being at the rate of one dollar and fifty cents per annum) on the no-par-value common shares of the Company presently issued and paid up for quarter ending December 31st, 1939, has this day been declared to shareholders of record December 30th, 1939, on the Montreal and London, England, registers.

Dividend cheques will be mailed to registered shareholders January 31st, 1940.

By Order of the Board,
C. C. PARKES,
Secretary.
Montreal, December 18th, 1939.

Montreal Light Heat & Power serves 276,720 gas and electricity customers, representing a population of 1,443,588 in the sixty municipalities in the City and District of Montreal

QUEBEC POWER COMPANY

NOTICE is hereby given that a dividend of twenty-five cents (25c) per share has been declared on the no par value common shares of the Company for the quarter ending December 31, 1939, payable February 15, 1940, to shareholders of record January 25, 1940.

By Order of the Board.
JAMES WILSON,
Secretary.
Montreal, December 18, 1939.

Ajax Oil and Gas Co., Limited

(No Personal Liability)

Notice is hereby given that an Interim Dividend of 1½ per cent (1½%) has been declared payable December 29, 1939, to Shareholders of record at the close of business December 19, 1939.

By order of the Board.
A. BURRELL,
Secretary-Treasurer.
Toronto, December 14th, 1939.

Guaranty Trust Company of Canada

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 2½%, being at the rate of 5% per annum, on the paid-in capital stock of the Company has been declared for the half-year ending December 31st, 1939, payable January 15th, 1940, to shareholders of record at the close of business December 31st, 1939.

By Order of the Board.
J. WILSON BERRY,
General Manager.

MODERN CONTAINERS LIMITED

NOTICE OF DIVIDENDS

Notice is hereby given that the following dividends have been declared:

On the Preference Shares $1.37½ for the current quarter payable January 2nd, 1940, to shareholders of record December 20th, 1939.

On the Common Shares, 20c per share, payable January 2nd, 1940, to shareholders of record December 20th, 1939.

By Order of the Board.
V. H. CORBETT,
Secretary.

Disher Steel Construction Company, Limited

DIVIDEND

Notice is hereby given that a dividend of One Dollar ($1.00) per share has been declared on account of arrears of dividends on the Class "A" Cumulative Redeemable Preference Shares of the Company, payable December 28th, 1939, to shareholders of record at the close of business December 20th, 1939.

By Order of the Board,
DONALD H. ROWAN,
Secretary.
Toronto, December 16th, 1939.

Week in Wheat

Argentine Crop Size Influences Market

But Effect of Reduction Under Last Year May be Overestimated — Distribution of Wheat Board Profits Subject of Speculation

From Our Own Correspondent

WINNIPEG.—Market tone this week has been influenced by the official crop estimate for Argentina, at 147 million bushels. That is nearly 200 million bushels less than the Argentine crop produced last year, some 75 million bushels of which will be carried over into the new crop year.

The estimate was about in line with expectations, although it exceeded some of the most pessimistic reports which had been circulated. Actual confirmation of low yields by the Argentine Government was considered a bullish factor of some importance.

But it is easy to overestimate the actual immediate market effect of the Argentine estimate. It was probably not greatly noticed by the most important bull in the market at the moment, the American farmer. It is his belief in higher prices which is primarily responsible for the upward surge of the market, which in Chicago has gone over $1.10.

A corresponding price for Canadian wheat, having regard for both quality and the exchange differential, would be well above $1.25 at Fort William. The importance of the American farmer at the moment can be seen by observing that cash wheat is stronger than futures in the Chicago market.

Wheat Board Profits

The fact that the Wheat Board will presumably realize a surplus profit to distribute to farmers raises some interesting problems.

Will it be assumed that the carry-over from last year was sold before any new crop wheat was disposed of? If not, the Government might realize something from advancing prices to offset part of the heavy loss in prospect on last year's operations.

If prices are still strong in the spring, will the government yield to demands that will be made for an interim distribution on participation certificates?

Presumably spreads between different grades, which were very wide on Wheat Board initial payments will be adjusted on subsequent payments to the market basis which has actually prevailed. Thus payments on participation certificates, if and when made will not be uniform between grades.

But will they be uniform as between provinces? Initial payments to Alberta farmers were made on the basis of Vancouver freight rates, lower than the rates paid on the actual movement of such grain by the eastern route to Fort William. If the Wheat Board were to lose money that would mean an extra expense to the Government. But if there is a surplus to distribute Manitoba and Saskatchewan farmers will expect a higher payment than is accorded in Alberta, in order to adjust freight rates to those actually paid.

* * *

Wheat Board Bullish

Market observers assume that the Canadian Wheat Board must be bullish, as it has allowed rapid advances to take place at Winnipeg without any signs of heavy selling. Neutral countries show no indication of resisting the advance in prices, apparently being quite content to buy wheat as it is needed, as shipping can be obtained for its transport.

Whether or not the British wheat authorities are willingly accepting the advance in prices is unknown. All reports seem to indicate that the idea of large bulk purchases from the Canadian Wheat Board has been abandoned, and that grain for Great Britain will not be bought very far in advance of actual shipping.

Western farmers are now delivering very little wheat to the Board. Those who still have surplus supplies are inclined to hold for higher prices. Those who must sell generally prefer to take from 17 to 30 cents (according to grade) from the open market rather than the Wheat Board initial price.

* * *

U. S. Farmers Hold

American farmers have a plentiful supply of wheat on hand, probably 300 million bushels more than the country will use up by the end of the current crop year next July 31. But they have been very unwilling to part with it. In order to secure supplies for current needs, millars have had to raise bids steadily.

Much of the crop in the United States is held in storage under government loans. These were advanced in order to encourage farmers to do just what they are now doing, that is hold their wheat in the hope of higher prices. Loans were made on the basis of higher than current prices and farmers were assured that they need not repay in cash, but might deliver the wheat in full settlement. Once prices began to rise the situation was a made to order speculative opportunity for the farmer who had taken a loan. Pressure for money could not force him to sell, because he had already realized a fair sum. Government pressure to repay loans, when due, presumably next May may force him to sell but so far there has been no intimation of such pressure.

* * *

Remember War Prices

This bullishness of the American farmer arises from his recollection of soaring wheat prices during the last war, and especially in 1917. Added to that is his immediate knowledge of the extremely poor condition of the U. S. winter wheat crop. He knows that production in the United States is bound to be short of domestic consumption, that reserves will have to be drawn on, probably to the extent of 100 million bushels, and perhaps a good deal more. The very farmer who is holding wheat may fear that his own chances of producing a crop in 1940 have disappeared, or are at the best unsatisfactory.

Every advance in United States prices tends to lift prices in Canada. Spreading operations between Chicago and Winnipeg are conducted with the fact in mind that the margin between the two markets would have to widen only slightly to enable No. 3 Northern to be shipped into United States over the 42-cents-a-bushel-duty. The situation was emphasized last week when the United States Government undertook an enquiry to see whether any large scale importing from Canada was in sight.

$56 Million Bacon Deal

(Continued from page 1)

great surplus of hogs in the U.S. which threatens to break prices to the point where the Canadian market will be invaded and the price driven down.

U. S. Imports

Unlike the last war, American live hogs cannot be imported because of the foot and mouth disease regulations. But U.S. pork may come in processed as bacon or ham or as uncured fresh pork. Possibly these imports would not qualify for export to Britain—although the British have relaxed their own regulations and are encouraging the production of fat pork. But if imports broke the domestic pork market, the result for Canadian producers would be the same as if the live hogs were imported.

It is true that as the board will receive payment for exports to Britain, the distribution of the money might be made in such a way as to offset price drops due to imports, but this obviously would present great administrative difficulties. The producer whose hog went for export would be preferred above the producer whose hog did not.

The original plan of stopping imports from the U.S. by refusing import licenses under the Foreign Exchange Regulations has been abandoned. The agricultural experts favor doing this but the Government and the senior officials, having a wider view of trade policy, are resolutely opposed.

They believe that the United States trade agreement policy is now in peril; that opposition to Roosevelt will concentrate upon this phase of his administration. It would be most unwise for Canada, they say, to put a weapon into the hands of those in the U.S. who are fighting the trade agreement policy. But whether imports should be allowed to come in freely or whether the board should do the importing, is a point of policy still to be decided. Imports would be chiefly wholesalers and retailers. Imports would already be processed.

Firm or Fluctuating Price

There is, as well, the question of a firm price or a fluctuating price. The consensus is that a fluctuating price, based upon costs of production, will be best. Thus the price will be lowest in the low cost production period (the fall) and highest in the spring, when production costs are at peak.

With respect to the price of feed, it is not believed that any regulation or intervention will be necessary until grain prices are considerably higher than at present. Taking the price of wheat as the controlling factor in feed prices, the view is that no difficulty will be encountered until farmers are netting over a dollar per bushel for the top grade. That would mean a price, basis Fort William, of about $1.18 per bushel. Wheat prices, of course, govern all grain prices.

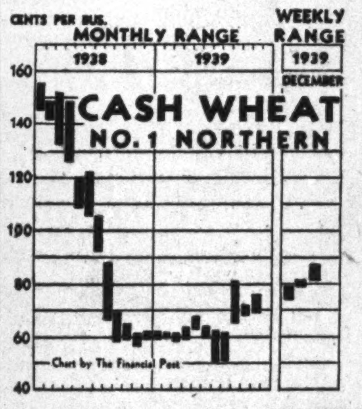
Roughly it takes 4.5 pounds of feed grain to produce one pound of live pork, though good feeders can do it for slightly less. Present British bacon price figures out at a live hog price of approximately nine cents per pound. So long, therefore, as feed grain can be purchased at less than two cents per pound, hog feeding remains profitable. If grain prices move much above two cents and hogs remain about nine then farmers may get out of hogs and sell grain direct.

Crops Testing Plan Announces Change

Major H. G. L. Strange, director of "Crop Testing Plan," announces that A. T. Sinclair, an assistant in this work, has resigned to accept a position with the Alberta Department of Agriculture. Mr. Sinclair's place will be filled by H. C. Laidlaw, graduate of the University of Manitoba.

The Crop Testing Plan for the past nine years has been assisting governmental institutions in improving the quality of field crops by means of a specialized method of testing crops. Companies sponsoring the work are the Searle, Home, Midland and Pacific Grain companies. In the nine years of its existence, the Crop Testing Plan has tested over 100,000 farmers' fields of wheat and has made available at cost to farmers, without profit to itself, over 300,000 bushels of the highest quality of registered and certified seed. The principle and methods of the work carried out have been adopted in full by the states of Kansas, Oklahoma, Texas and Nebraska and part of Minnesota.

Wheat Prices



	For Week Dec. 19 High	For Week Dec. 19 Low	Prev. Week High	Prev. Week Low
1 Hard	.87¼	.82⅛	.81⅞	.79⅝
1 Northern	.87¼	.82⅛	.81⅞	.79⅝
2 Northern	.85¼	.80⅛	.79⅞	.77⅝
3 Northern	.80¼	.75⅛	.75⅜	.72⅝
4 Northern	.78½	.73⅜	.73⅜	.70⅝
5 Wheat	.73¼	.68	.68½	.65⅞
6 Wheat	.67¾	.62½	.63	.60⅝
Feed Wheat	.65¾	.61½	.62	.59⅜

Winnipeg Grain Futures

Week to Dec. 19, 1939

Crop year from Aug. 1, 1939 High	Low		Open Dec. 13	High for week	Low for week	Close Dec. 19	Close year ago
		Wheat					
.88⅞	.51½	Dec.	.81¾	.88⅞	.81½	.87	.59½
.92½	.54⅞	May	.85¼	.92½	.85¼	.90⅛	.61⅜
.93¼	.76⅛	July	.86⅜	.93¼	.86⅜	.91⅛	.61⅞
		Oats					
.42¾	.26⅛	Dec.	.36⅝	.42¾	.36⅝	.42⅜	.28⅛
.45¾	.27½	May	.36¾	.40¾	.36¾	.40½	.28½
.39½	.32	July	.36⅞	.39½	.36¼	.39½	.28
		Barley					
.52⅜	.32⅜	Dec.	.48⅛	.52⅜	.48⅛	.51	.37¾
.54	.33⅝	May	.49¾	.54	.49¾	.53	.38⅛
.53⅛	.44	July	.49⅜	.53⅛	.49⅜	.51⅞	.37¾
		Flax					
1.83½	1.23¾	Dec.	1.70	1.83½	1.70	1.78¾	1.44¼
1.87½	1.49	May	1.73	1.87½	1.73	1.82¼	1.39⅞
1.86	1.64½	July	1.75	1.86	1.75	1.80¼	......
		Rye					
.79⅜	.37½	Dec.	.....	.79⅜	.73¼	.77¼	.39½
.82	.40	May	.72⅝	.82	.72⅝	.79¾	.41
.81⅛	.57¾	July	.72½	.81⅛	.72¼	.78¼	.41¾

DIVIDEND NOTICES

Montreal Tramways Company

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of ONE DOLLAR AND FIFTY CENTS ($1.50) per share, for the quarter ending December 31st, 1939, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record on Thursday, the 4th day of January, 1940, at 4 o'clock p.m. and payable on Monday, the 15th day of January, 1940.

By Order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.
Monday, December 18th, 1939.

PRESTON EAST DOME MINES LIMITED

(No Personal Liability)

DIVIDEND No. 1

NOTICE is hereby given that a dividend of five cents per share has been declared by the Directors of Preston East Dome Mines Limited (No Personal Liability) payable in Canadian Funds on January 15th, 1940, to Shareholders of record January 5th, 1940.

By order of the Board.
L. I. HALL,
Secretary.
Toronto, Ontario,
December 11, 1939.

CANADIAN GENERAL INVESTMENTS LIMITED

Dividend Notice

NOTICE is hereby given that a dividend of Twelve and one-half cents (12½c) per share on the paid-up capital stock of the Company has been declared to shareholders of record December 30th, 1939, payable January 15th, 1940.

SHARE WARRANT holders will present Coupon No. 46 at the Main Office of the Bank of Montreal in Victoria, Vancouver, Calgary, Edmonton, Winnipeg, Montreal, Halifax, St. John, or at the King and Yonge Streets Branch, Toronto, where payment will be made at par.

By order of the Board.
E. M. STRAIN,
Secretary.
320 Bay St., Toronto.

ALL MUST WORK FOR VICTORY

To achieve a victory over our strong, ruthless and determined enemy, vast quantities of foodstuffs, stores, materials, munitions and equipment will be needed.

Our Western farmers have already made a fine contribution by producing this year alone sufficient wheat for more than two years' normal requirements for the Allies, thus relieving the Allied Governments of any fears, such as they had at the beginning of the last war, of a scarcity of wheat.

Our farmers and all of us in the West, in common with all the people in Canada, can be depended upon to make whatever efforts and sacrifices which may be needed in order to defend those precious Liberties and Freedoms which we hold so dear.

SEARLE GRAIN COMPANY LIMITED
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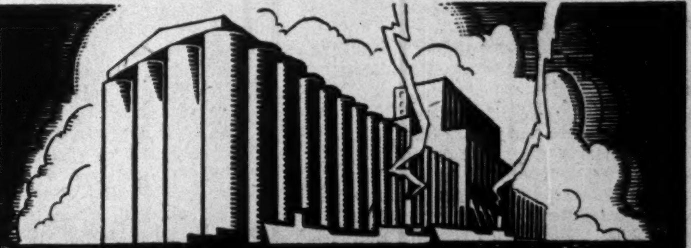

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Week in Mining

Is Stage Being Set For New Gold Price?

See Many Factors Pointing to Deflation Which May Require Drastic Money Action — Canadians Don't Get New Metal Price — Rush New Mercury Mine

Is an increase in the price of gold once again entering the realm of likelihood?

That's a question getting some of the big-name experts steamed up and of course, Canadian gold mining knows the answer—at least the answer it wants.

At the same time, the most consistently sober and sound observers of things economic and political—and this is now as much a political as an economic problem—are pointing to a not distant situation in which again raising the price of gold looks like the way out.

"In the Offing"

Says the Whaley-Eaton service of Washington:

> "There is a very definite body of opinion which holds that a pronounced deflation is definitely in the offing. Virtually every basic commodity has been under production control by one government or another. Volume was allocated in accordance with subnormal world demand.
>
> "Millions of men are out of production and are 100% consumers. On the whole, they consume more at the front than at home. Surpluses that looked large under prewar conditions might very rapidly disappear under war conditions.
>
> "The belligerents are operating with paper currencies. The most insistent question the Allies are asking in America today concerns the possibility of future credits to enable them to carry on. The United States, not a belligerent, is spending some $8 millions a day above its income....Inflationary tendencies in Britain, in spite of rationing and other controls are already obvious...Should a severe deflation develop, a political cheapening of money in the United States would be very likely."

* * *

Cost of Patriotism

Canadian base metal producers are already feeling the costs of patriotism. The British Ministry of Supply has just raised the open-market price for copper, lead and zinc, but Canadian producers continue to sell at the low prices accepted in the long-term contracts made with Britain some months ago.

The new quotations show quite substantial gains. Electrolytic copper is up from £52 and zinc from £62 per long ton; pig lead from £17¼ to £25 and zinc from £15 3/8 to £25¾.

Higher shipping rates are being credited with the increase. And it is important to note that the much lower Canadian rate is F.A.S., free at shipside, which means that rail freight to port is the only extra cost to the Canadian producers. The new rates are for other producers who must find their own bottoms—no easy matter these days—and must pay the sharply higher ocean freight and insurance costs.

Good guess is that the higher prices are also part of Britain's economic warfare in which she is not only anxious to build up enormous supplies for her own use; but wants to bring as much as possible of these commodities to her own shores to hasten the starvation of the enemy.

* * *

Waite Amulet, incidentally, has some 17,000 tons of zinc concentrates in Belgium. The company is hoping to sell at the new higher price, but isn't sure yet.

* * *

Mercury Mine

War creates special demands and half a dozen raw metals were produced here last time. Consolidated Mining & Smelting is making rapid progress in development of the cinnabar deposits of Pinichi Lake, near Smithers, for the production of mercury.

The B. C. Government is cooperating by rushing completion of a road into the area. Consolidated is pushing construction in order that production of this essential war mineral may be started with the least delay.

It is proposed to establish a reduction plant at the property where the mercury may be extracted from the cinnabar. About 125 men will be employed.

* * *

Millionaire Prospector

William Walton, one of the best-known Manitoba prospectors died recently at 70. Known as the millionaire prospector, at one stage he was said worth probably double the amount implied. He discovered the original Eldorado property in Manitoba and though a large sum of money was spent on its development it did not make a mine Out of the funds remaining in the treasury, Gilbert Labine staked the Eldorado property at Great Bear Lake. For many years Mr. Walton maintained his home on the shores of Long Lake.

Moots Wind Up North. Canada

Former President Suggests Asset Distribution — To Appeal Tax Levy

At annual meeting of Northern Canada Mines in Toronto last week, a former president advanced a proposal to wind up the company and another shareholder sought more details on the company's shareholdings than the management was willing to give.

Dr. J. B. Tyrrell, the former president, in a letter to A. C. Matthews, present president, made the suggestion that the company either distribute its assets and wind up or at least distribute a part of its assets, namely its holding in Kirkland Lake Gold Mining Co., amounting to over 500,000 shares worth about $790,000.

Plan Continuing

Countering this suggestion, Mr. Matthews pointed out that the company was an exploration and development concern and expressed the opinion that the company should continue its search for new properties and development of the country's mineral resources. The Kirkland Lake Gold holdings were considered essential in the event a worthwhile venture should be found requiring a large expenditure.

A request for numbers of shares held in various companies met with the statement that it was not the policy of the board to make such information public, as it was not considered in the best interests of the public or shareholders. Considerable discussion arose over this point.

No early dividend action is anticipated as the company is attempting to build up a strong cash position in order to take advantage of any opportunities met with in its development campaign.

Appeal New Tax Levy

As a result of an appeal, the original income tax assessment against the predecessor company, Northern Canada Mining Corp., has been revised to approximately $50,000 from around $90,000. It has been decided, however, to appeal the revision. Mr. Matthews expressed the hope that the Canadian Government, in revising income tax laws, would realize that companies such as Northern Canada Mines carrying on exploration and development must not be deterred.

Considerable encouragement has been met with, in exploration of the property of Woco Gold Developments in the Uchi area. Two ore shoots have so far been outlined. One has a length of 195 ft. averaging $13.80 per ton across 4.5 ft. and the second has a length of 120 ft. averaging $18 across 1.68 ft. The showings are 300 ft. apart and diamond drilling indicates similar values to 300-ft. depth.

While shareholdings in various companies were not revealed the company is stated to have shares in the following companies:

Aluminum Co.
Asbestos Corp.
Amer. Car & Fdy.
Almo Syndicate
Amal. Kirkland
Argosy
B. C. Packers
Cons. Smelters
Camex Prospecting
East Malartic
Hard Rock
Hudson Bay Min.
Hutchison Lake
Int. Nickel
Int. Petroleum
Kirkland Basin
Kirkland Lake
Leitch
Little Long Lac
National City Bank
Chas Taylor Expl.
Teck-Hughes
Ventures
West. Can. Fl. Mills

East Malartic's New Unit Starts

Production For November is New Record — Drilling Gets Fine Ore

The new 500-ton mill addition at East Malartic Mines was placed in operation on Dec. 12, bringing capacity up to between 1,500 tons and 1,600 tons daily, The Financial Post is informed.

November was a record month for the company both in total value of output and tonnage of ore put through the mill. Output amounted to $243,709 compared with $238,661 in October, the previous record month. Tonnage milled totalled 33,423 tons in November against 31,736 tons in the previous record month of October which was a day longer. An average of 1.114 tons was treated in November.

Four diamond drill intersections put out at 50-ft. intervals west from the crosscut on the bottom level at 820-ft. depth gave particularly fine ore intersections, The first returned 28.6 ft. of core averaging $7.20 per ton; the second 26.9 ft. averaging $8.05 per ton; the third 50.6 ft. averaging $11.20 per ton; and the fourth $14 per ton for 41.5 ft. of core.

Drifting was carried out on the 150, 670 and 820-ft. levels in November. On the 150-ft. level 125.5 ft. of drifting east was in ore averaging $7 per ton. Drifting east at the 670-ft. level was carried for 79 ft. in low values.

Main drifting during the month was on the 820-ft. level. A total of 259.5 ft. of drifting to the east was in ore averaging $7.35 per ton while 259 ft. of drifting to the west averaged $9.30 per ton. All ore lengths mentioned are over drift width.

Argus Interests Shares Are Listed at Toronto

Shares of Argus Interests were called for trading on the Toronto Stock Exchange on Dec. 18 with ticker abbreviation AGS.

Listing covers a total of 1.5 million common shares of which 1,015,000 are stated to be outstanding. On incorporation in Aug., 1939, the company took over the holdings and undertakings of McKinley Mines Securities Co., issuing one Argus share and 40 cents in cash for each McKinley share held except for five incorporator shares.

Head office of the company is at 80 King St. West, Toronto, and transfer agent is the Trusts & Guarantee Co., Toronto.

Preston Profits Nearly Million In 7 Months

Earnings Over 30 Cents a Share — Ore Reserves to Show Increase at Year End

A net profit of over 30 cents a share was realized by Preston East Dome in the seven months ended Nov. 30, The Financial Post is informed. Net profit amounted to $943,071 before bond discount or excess profits tax of which $307,729 was for November when production amounted to $398,913. Milling started March 1.

This jump was due to the decision of the company in October to mill at least a part of the very rich ore in the hanging wall structure. Perhaps half the ore may be removed from this rich section between the 550-ft. level and a sub-level about 60 ft. below the level, but the section between the sub-level and 675 ft. is untouched. While the ore is somewhat lower in grade at the 675-ft. level, it is estimated that the section between the 675-ft. level and the 550-ft. sublevel will yield as many ounces of gold as the section above the sub-level which is partially stoped. This is accounted for by the greater width of ore at the 675-ft. level.

In spite of the milling of some of this very rich ore the company is expected to show a substantial increase in value of ore reserves at the end of 1939. None of the very rich material was included in ore reserves last reported on April 30, 1939, but with raises now put up on this ore some will be included in year end reserve figures.

Since milling commenced, it is estimated development has provided something over 13% of the ore going to the mill. Allowing a drift height of 8 ft., exploration has more than replaced tonnage of ore milled. Previous ore calculations did not allow for extension of ore through to surface and included ore for only a short distance below the 300-ft. level. With levels now opened up to 670 ft. depth, much additional ore has been disclosed.

Work has been concentrated chiefly on putting out line drives recently which does not always make for ore news at Preston. Diamond drilling, however, is reported to have given interesting results. This week a late hole was reported by street sources as running $76.30 uncut across 27½ ft. Cut value was in the neighborhood of $10 per ton, however, it is understood.

Several new ore chances were indicated by drilling at the 425-ft. level in November, while one fine hole at the 675-ft. level gave 24.7 ft., running 0.34 oz. cut or uncut, with 5 ft. in the same hole averaging 0.60 oz.

To Continue Shaft

Shaft sinking, it is understood, will soon be started and new levels will be opened up at 800, 925, 1,050, 1,175, 1,300 and 1,425 ft. It is quite likely the mill will be stepped up from 425 to 500 tons after completion of shaft sinking. This will not require installation of any additional equipment. It will likely be the policy of the company to stabilize profit in spite of the higher mill tonnage and this is expected to result in treatment of a slightly lower average grade of ore.

After the turn of the year the company will likely reduce the average grade of ore treated since working capital position has already been built up substantially. No statement has been made in regard to future dividend policy but a letter to shareholders in the near future will cover this point.

STEEL SALESMAN

Burlington Steel Co., Hamilton, has appointed Norman A. Eager assistant sales manager. Mr. Eager has been with Shawinigan Water & Power Co. since 1926 as structural engineer. Previously he was with Church & Ross Co., Canadian Vickers Ltd. and also had early experience with state highway engineering in Pennsylvania and Illinois.

Manitoba Field More Active

Century Mining Corp. May Install Mill — Sunbeam Prepares For Shipping Ore

From Our Own Correspondent

WINNIPEG.—Activity in Manitoba mining has been increasing.

In the northern section, Century Mining has issued encouraging reports on work at Elbow Lake and it is likely a mill will go in, possibly in the late winter months. With the ore now exposed it seems certain mill action will not be delayed long, although it is also evident Century means to determine the ore deposit is there and justifies mill installation before starting.

Laura Gold is shipping ore from Branberry to Hudson Bay Mining & Smelting and so also is A. L. Stewart from the Tartan Lake property of the Brunne and Copper Lake Telluride Mines Limited. At Herb Lake, Vance Echols, until the shut down of Gurney Gold manager of that property, has some claims on which he is purposing some immediate development.

Central Manitoba Encouraged

In the Rice Lake area, Lardego Mines has sent in a crew headed by two well-known prospectors, J. J. Pappineau and Walter Dowdell, to do preliminary work, prior to a diamond drilling campaign.

In the Central Manitoba area the crew of Central Manitoba Mines Limited, working on the Onondago and Ogama claims, which have been taken under a six months working option for six months, report encouraging showings. William Hurst, president of Central Manitoba Mines Limited, says it is too early yet to talk about values but admits the work done is encouraging.

Sunbeam Arranges Hauling

At Sunbeam Kirkland a crew under Hilding Johnson with an engineer in charge is getting ore ready for shipment to Kenricia Mines mill. The Sunbeam, it is understood, take over the mill for three months, starting Jan. 4. A hauling contract is now being arranged and it is anticipated little difficulty will be experienced in hauling the ore over the 29-mile stretch of road between the two properties. Most of the haul is on the Trans-Canada Highway.

Week in Oils

Largest Turner Well Now Royalite 43

Settled Flow of 100 Bbls. Hourly Reported After Second Acid Treatment With Only Upper Horizon Tapped — Near Home No. 2 Well

From Our Own Correspondent

CALGARY.—Blasting a steady stream of crude oil a distance of 8,800 ft. to surface in volume of more than 2,400 barrels per day, Royalite Oil Co.'s No. 43 well lays claim to the title "Canada's largest oil producer" and has focused the oil industry's attention on the northern end of Turner Valley. Present titleholder "largest producer" is the year old wonder-well, Home-Millarville No. 2, located in the same area as the new Royalite completion.

Five days after application of the second of two light acid treatments, Royalite No. 43 was holding steady at about 100 bbls. hourly, under a back pressure of 300 pounds. The well was placed on production December 8, showing an initial flow of 20 barrels hourly with partial aid of booster-gas.

Flow Holds Up

The remarkable manner in which the flow held up after acid treatment indicates heavy pressure and adequate gas volume to maintain a large, steady oil flow. The well is now on Conservation Board test to determine production rate through a 1 in. choke, the bottom hole pressure and gas-oil ratio. Initial allowable will be set after these factors are determined.

* * *

From Upper Horizon

Royalite No. 43, located in L.S.D. 2 22-20-3w5, was completed 509 ft. in the Madison lime after penetrating a thick upper porous zone showing 130 ft. of fair to good porosity. Bottom hole is at 8,800 ft. Drilling was not carried on to the lower porous zone.

The Alberta Government holds a 10% gross royalty in the well. The balance of 90% net is divided 75% to the Royalite Oil Co. and 25% to Lowery Petroleums Ltd. which, under a recent agreement, divided drill costs in that ratio.

* * *

Home 4 Hits Limestone

Other events have also focused attention on north Turner Valley. The Home-Millarville No. 4 well, in L.S.D. 9 28-20-3w5, has topped the Madison limestone at 7,845 ft., somewhat shallower than expected. The lower formations logged thinner than those drilled through at Home-Millarville No. 2, a mile to the northwest. The lime contact at Home 4 was made 3,622 ft. below sea level—340 ft. higher on structure than the contact at Home 2 and about 280 ft. higher than the contact at Royalite 43. Drilling to completion has been resumed and the well is expected on production by the end of the month.

Geologists are keeping a close watch on formation samples from Home-Millarville No. 3 well, half a mile north of No. 4. This well, now below 7,250 ft., topped the Dalhousie sand at 6,905 ft., and is expected to reach the lime about 7,500 ft.

Logs of Home 3 and 4 have important implications for the north end of the field—but geologists hesitate to analyze these until after Home 3 has joined its companion test in the lime.

* * *

North Turner Limestone

North Turner Valley has, all told, five wells now drilling and five more located.

In addition to Home Oil Nos. 3 and 4, drilling wells include: Alberta Oil Incomes No. 1, below 2,800 ft. and expected to reach the lime about 7,000 ft.; Anglo-Canadian Phillips No. 1, below 3,771 ft. with indications pointing to contacting of the lime shallower than at Royalite 43; and Alberta Oil Incomes No. 2, spudded in a week ago and expected to reach the lime around 7,800 ft.

Foothills No. 6, being drilled by Royalite, is now moving in rotary rig and will spud in a few days. Other North End locations are: Foothills No. 5; Royalite Nos. 47 and 49; and Anglo-Canadian Phillips No. 2.

* * *

South Turner Completions

Recently completed South Turner Valley well, Okalta Oils No. 7 has been assigned a daily allowable of 163 bbls. by the Conservation Board, a quota slightly higher than the present field average of 154 bbls. per well. Okalta Oils has a 90% interest in the well, only royalty payable being 10% to the crown.

New Far End producer Northwest Hudson Bay No. 2 is expected to show between 500 and 700 bbls. daily on 1 in. choke test. The well is now on test and initial allowable will be set in a few days.

* * *

War and Oils

In 1914, outbreak of the first world war dealt a death-blow to a budding Turner Valley "boom" of that day. It is all the more interesting therefore to compare Turner Valley of Sept. 1, 1939—the outbreak of this world war—with the Turner Valley of today, 3½ months later. The effect of war on development has been just the reverse of what it was in 1914.

On Sept. 1, a summary of Turner Valley showed: 90 wells producing or on test in the crude oil area; 15 wells drilling; 1 well resuming; 11 wells standing; 8 wells located and preparing to spud. A total of 125 wells.

Today a Turner Valley summary shows: 96 wells producing or on test; 20 wells drilling; one well resuming; nine wells standing; 12 wells located and preparing to spud. A total of 138 wells.

* * *

New Dividends

Another $43,000 has been added to 1939 Alberta oil company dividends, bringing the record very close to $2.5 millions.

Vulcan Brown Petroleums will pay $20,666 on Dec. 21, in a dividend of 2½ cents per share to shareholders of record Dec. 18.

Brown Consolidated Petroleums will pay out $18,661 on Dec. 29 in its second distribution of 1¼ cents per share—payable to shareholders of record Dec. 21.

Granville Oils will distribute $3,550 on Dec. 30, representing a dividend of half a cent per share.

Mining Concentrates

Anoki Gold Mines is now being financed by Bankfield Consolidated Mines. On Dec. 1, Bankfield purchased 500,000 Anoki shares at 10 cents a share to be taken up as Anoki requires the funds but not later than May 1, 1940. In addition, Bankfield received an option on a further 500,000 shares, comprising blocks of 250,000 shares each at 10 and 15 cents a share payable by June 1, 1940. Authorized capital of the company is 3.5 million shares of which 1,500,005 are now issued.

* * *

Asnazu Gold Dredging handled 314,800 cu. yds. of gravel in the three months to Dec. 1, 1939, recovering 3.753 oz. of fine gold worth $131,355. This compares with total production of $89.565 in the previous quarter and $109.165 in the three months to Dec. 1, 1938.

* * *

Bulolo Gold Dredging produced 17,032 oz. of fine gold in November, which compares with 16,018 oz. in October and 14,139 oz. in Nov., 1938. November production was obtained from 1,619,000 cu. yds. of gravel against 1,646,000 cu. yds. in the previous month and 1,210,000 cu. yds. in November a year ago.

Estimated November working profit was $326,375 in United States dollars. Estimated profit for October, after allowing for Australian tax, amounted to $352,030 United States dollars while the Nov., 1938, profit was $330,435 Canadian dollars.

* * *

Central Cadillac Mines has called a special meeting of shareholders for Dec. 22 to authorize issuance of an additional 100,000 $1 par shares at a discount of not more than 75%.

* * *

Cochenour Williams has received the Dec. 15 option installments as follows: 15,000 shares at 45 cents from Coin Lake Gold Mines; 10.000 shares at 45 cents a share from W. M. Cochenour; 20,000 shares at 45 cents a share from P. Margaret Cochenour; 12,950 shares at 45 cents a share from Canadian Alliance Corp.; 50,000 shares at 50 cents a share under firm commitment from C. A. Gentles & Co., and 20,833 shares at 60 cents a share also from C. A. Gentles & Co. Issued capital is now 2,741,238 shares.

* * *

Douglas Lake Mines granted an option on 1.5 million shares to Haras Corp. Ltd. on Nov. 10, Haras Corp. assigning the option to Chas. Hedwall, Jr. Option is as follows: 100,000 shares at 5 cents per share payable within 40 days; 100,000 shares at 5 cents payable within 70 days; 200,000 shares at 7½ cents per share payable within 130 days, and balance at 10 to 70 cents per share, payable $5,000 monthly for the next ensuing six months, $7,500 per month for the following six months and thereafter $10,000 monthly until the option has been fully exercised. Authorized capital is 3 million shares with 1,300,005 issued.

* * *

Golconda Mines is stated to have extended its discovery vein from an original length of 115 ft. to a proved length of over 1,000 ft. by a series of 24 trenches across the strongly sheared contact on the company's property in Duparquet twp., northwestern Quebec. Channel samples cut at 5-ft. intervals along the length of 155 ft. ran $19.19 at 6 ft. below surface.

On the No. 1 property in Rouyn twp., a vein is reported to have been opened up for a length of 400 ft. varying from 8 to 20 ft. in width. Eight trenches and two test pits have been put down. Channel samples from the west pit ranged from $2.45 to $31.50 per ton. Vein No. 5 which is 10 ft. wide in places, has been traced for 1,000 ft. and will be sampled upon completion of trenching.

On the No. 9 property in Beauchastel twp., 36 trenches have been put down on seven mineralized areas. Vein No. 1 has been explored for 275 ft. by trenching. Channel sampling completed in three trenches gave $1.25 across 10 ft., $13.41 across 9 ft. and $3.85 across 12 ft.

* * *

Kelrowe Gold Mines has been making good time in shaft sinking and on Dec. 10, the shaft had reached a depth of 151 ft. The objective of 200 ft. is expected to be reached before Christmas with the second station cut at 180-ft. depth. Crosscutting will then be commenced immediately.

* * *

Lacoma Gold Mines completed an agreement on Dec. 7, under which Inspiration Mining and Development Co. agreed to purchase 1,118,248 shares at 3 cents a share, payable $8,547 forthwith and thereafter $5,000 every 30 days. Authorized capital of the company is 5 million shares of which 3,868,257 are issued. Haras Corp., New York interests, two brokerage firms and Mervyn D. Taylor are participating with Inspiration in the financing.

Macassa Mines scored a new record for total production in November.

1939:	Tons milled	Tons daily	Recov. per ton	Total recov.
November	12,329	411	16.37	201,929
October	12,209	394	15.62	196,684

* * *

Powell Rouyn Gold Mines has declared a dividend of 5 cents a share payable Jan. 15, 1940, to shareholders of record Dec. 30, 1939; ex-dividend date is Dec. 28. An initial dividend of similar amount was paid on Oct. 16, 1939.

* * *

Placer Development dredged 3,935,000 cu. yds. for a recovery of 17,743 ounces of fine gold and recovered 1,969 oz. of fine gold additional with its hydraulic units. The total value of the production was $689,920. This compares with total production of $511,630 in the previous quarter and $519,680 in the three months to Dec. 1, 1938.

* * *

Perron Gold Mines is opening-up two ore occurrences south of the 32 vein on the 925-ft. level, according to the November progress report. The downward extension of the 250 vein below the 250-ft. level was encountered with 1.2 ft. averaging $31.85 and the upward extension of the 346 vein above the 325-ft. level returning 2.5 ft. of $5.60 ore. At a point 250 ft. south of the 32 vein on the 900-ft. level, a drill hole cut 3.6 ft. averaging $100.80 a ton. Production in November was $128,125 from 11,467 tons of ore milled.

* * *

Quyon Molybdenum Mines optioned 15,000 shares at 35 cents a share to Frank P. Lloyd on Dec. 8, payable by Feb. 28, 1940. Authorized capital is 600,000 $1 par shares of which 200,005 are outstanding.

* * *

Simpson Gold Mines is planning a programme of development and diamond drilling for its property adjoining Bidgood Kirkland and Morris Kirkland, under the direction of its consulting engineer, R. R. Brown, who is also president of Upper Canada Mines. An examination of the ground has just been completed and Mr. Brown reports that along the creek which is the outlet to Crystal Lake, a heavy shearing has been noted indicating the bed of the creek to be a fault zone. Owing to the heavy overburden and swamp, diamond drilling has been recommended.

Directors of Simpson Gold Mines are: T. J. Day, George W. Morris, J. E. Day, E. H. Dickenson, F. L. Heard.

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Company Reports

Inter. Paints

International Paints (Canada) and subsidiary companies report consolidated income for the year ended Sept. 30, 1939, on a substantially higher basis than in 1938. Gross revenue from all sources was $214,900, an increase of $44,000 over the previous year. Net profits after depreciation total $142,769 compared with $100,671 last year. From the latter the company deducted the general reserves, etc., called for under the 1936 compromise arrangement, leaving profits available for dividend distribution much the same as a year ago.

Consolidated balance sheet shows a reduction in the 5½% bonded debt from $107,067 to $87,600. Other items among the liabilities show relatively little change, while among assets the accounts receivable advanced from $261,549 to $337,529.

Income and Surplus Account
Years Ended Sept. 30

	1939 $	1938 $
Gross income	214,900	170,838
Less: Bond interest	6,022	7,525
Directors' fees	2,080	2,650
Exec. salaries	25,814	24,495
Legal fees	1,331	412
Depreciation	36,833	35,084
Taxes	25.587	18,631
General reserve	14,277	10,067
Bond reserve	50,407	19,474
Surplus	52,500	52,500
Less: Pref. divd.	52,490	52,490
Surplus for year	10	10
Add: Prev. surplus	64,571	65,165
Sale of assets	84	......
Tax adjustment	235	*604
Surplus forward	64,900	64,571
*Deduction.		
Earned per Share:		
Preferred	$1.25	$1.25
Paid	1.00+0.25	1.00+0.25
Shares O/s.:		
Preferred, $20 par	42,000	42,000
Class A, n.p.v.	20,860	20,860
Class B, n.p.v.	7,140	7,140

Working Capital

	1939 $	1938 $
Current assets	739,835	643,228
Current liabilities	115,105	81,922
Working capital	624,730	561,306

Dominion Glass

Dominion Glass Co. reports a moderate improvement in earnings and a further strengthening of financial position for the year ended Sept. 30, 1939. Gross operating income at $961,027 compared with $898,301 a year ago. Other income showed a minor increase. Net profit available for dividends totalled $595,422, as against $532,579 in 1938. There was a surplus after all charges of $200,922, up from $138,079 a year ago. Net profit was equal to $22.90 on the 7% preferred of $100 par, and $9.73 on the no par common shares. This compares with $20.48 and $8.25 respectively in the previous year.

The consolidated balance sheet shows no major changes among liabilities. On the asset side, inventories are down from $1.5 million to just under $1.4 million. The principal change is an increase in cash in banks and on hand from $186,095 to $698,183.

Comparative figures on the consolidated income and surplus accounts follow:

Income and Surplus Account
Years Ended Dec. 31

	1939 $	1938 $
Gross oper. income	961,027	898,301
Less: Depreciation	187,600	189,800
Patent rights	7,500	7,500
Add: Other income	14,943	8,278
Less: Income taxes	131,332	117,550
Directors' fees	11,905	12,788
Exec. salaries	42,133	46,813
Legal expenses	78	177
Net profit	595,422	532,579
Less: Pfd. dividends	182,000	182,000
Com. dividends	212,500	212,500
Surplus	200,922	138,079
Previous surplus	1,370,992	1,232,913
Surplus forward	1,571,914	1,370,992

Working Capital

	1939	1938
Current assets	3,605,408	3,489,472
Current liabilities	769,926	816,832
Working capital	2,835,482	2,672,640

Dominion Bakeries

Dominion Bakeries Ltd. reports deficit for the year ended Aug. 31, 1939, at $31,419, compared with a deficit of $21,059 in the preceding year.

This company discontinued operations as a baking company in 1933 and has been attempting to rent or dispose of its properties since. Net rentals after expenses have been insufficient to cover depreciation charges.

At Aug. 31 arrears on the first preferred stock amounted to $58.50 a share, and $61.75 a share at the same date on the second preferred.

Maple Leaf Milling Co. owns the majority of the second preferred and common stock and is also principal creditor of the company. At Aug. 31 Maple Leaf had a balance owing of $227,649.

Properties are being sold as quickly as possible and in the 1939 fiscal year bakeries at Kingston and Ottawa were disposed of. Directors feel that winding-up of the company and disposal of assets through a liquidator should be considered during the coming year.

Income and Deficit Account
Years Ended Aug. 31

	1939 $	1938 $
Net earnings	3,681	3,412
Less: Depreciation	22,000	22,355
Loss on fixed assets sale	13,100	2,116
Deficit for year	31,419	21,059
Add: Prev. deficit	738,455	717,396
Deficit forward	769,874	738,455

Working Capital

	1939 $	1938 $
Current assets	1,965	3,285
Current liabilities	230,451	247,979
Excess of current liabs. over current assets	228,486	244,694

Balsam Gold Director Counters Claim

Answering printed reports that certain properties held by Balsam Gold Mines had reverted by default to the previous owner, E. W. Widdowson of Nelson, B.C., and are now held by King Solomon Gold Mines Co., J. Bonfield Marion, managing director of Balsam Gold Mines, writes The Financial Post as follows:

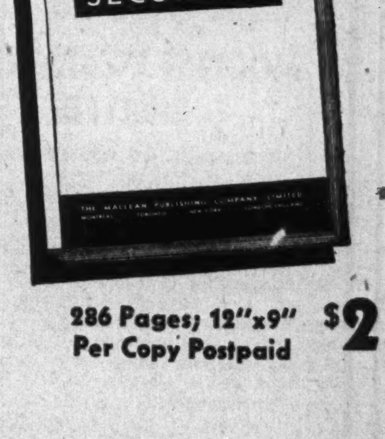
"I wish to make it clear that Balsam Gold Mines Ltd. has not defaulted in respect to payments due on the claims held under option from Mr. Widdowson, but on the advice of our solicitors and engineers, payments have been suspended.

"There was misrepresentation," states Mr. Bonfield, "in the location of the claims . . . as to the treatment of the ore . . . and there was an illegal commission taken."

Settlement is now being sought.

PRIVATEER EXTENDS HOLDING

Reports from British Columbia state Privateer Mine has completed arrangements for purchase of the remaining interest of Dentonia Mines in Prident Gold Mines for $17,500. Following this deal, Privateer will hold all issued shares of Prident which in turn has an 80% interest in any profits realized from working the Prident property adjoining Privateer.



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How Vulnerable are Our Mines?

North Country is Now Few Hours' Hop From Europe By Air

How vulnerable are Canada's mines to possible enemy action?

More than any other Canadian industry, mining has already felt the impact of war. Canadian mines have made their contribution to the Empire cause by signing long-term contracts for essential war metals at very modest prices indeed; at prices which may mean a big sacrifice in profits if the course of metal prices is anything like that prevailing in the last war.

Canada's gold mines are going ahead with their vital work; the production of the basic war metal; basic, because it is the possession of gold now and in the future that will determine the ultimate victor.

That very rich outpost of Canadian mining, the Kaulatunturi mine of International Nickel in Finland is now in the heart of a bloody battlefield. Reports claim that the retreating Finns have already blasted the "innards" of the mine to separate by as many months or years as possible the Soviets and their much needed new source of nickel and copper.

Will War Come to Us?

Ever since the outbreak of war Canadians have been asking, "Will war ever come to us?" Many have commented on the remoteness of our mines and many of our electric power stations.

Professor Thomas Loudon, who has taught higher mathematics to a generation of scientists at University of Toronto, and has coached a couple of decades of rowing crews, has many times pointed out the need for alertness on this Canadian front.

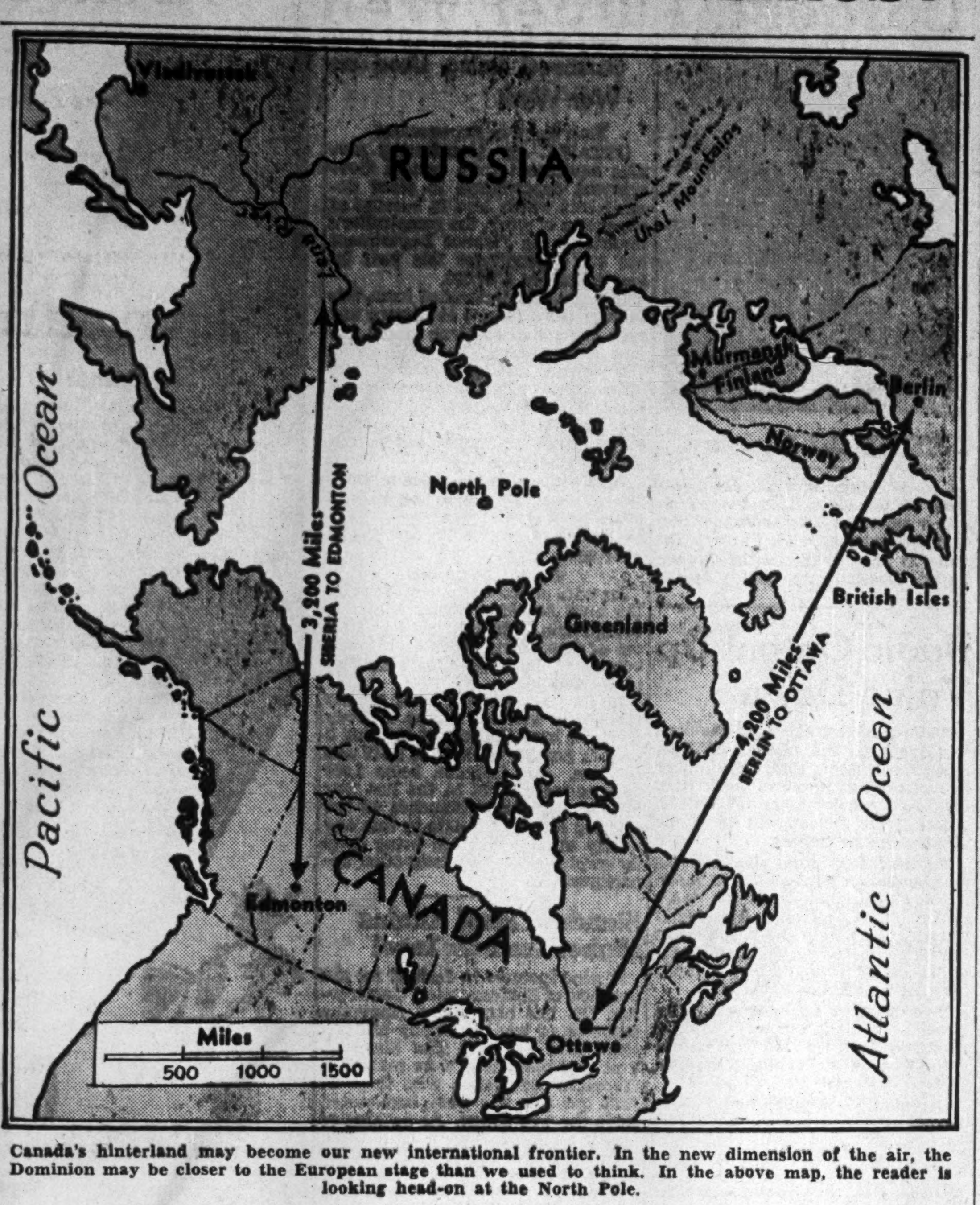
Canada's position in war is very different from what it was in 1914. Canada is no longer insulated from first hand experience of war by 1,900 miles of Atlantic ocean on the east and 4,700 miles of Pacific ocean on the west.

The evolution of aircraft has changed all that. The modern fighting airplane is said to have an effective range of 500 miles—that is, can go 250 miles from its base, do a job and return. The medium bomber stretches this range to 1,500 to 2,000 miles. The big bomber—so far as the public knows—can work over half a continent—2,500 to 3,000 miles. While it is perhaps too much to expect that technicians will make as rapid progress in aircraft improvement now as they did in Great War 1, it is nevertheless altogether likely that the range of aircraft will lengthen out almost every month this war continues.

Aircraft Carriers

But apart from long range, there is the aircraft carrier, the sea-going base for a swarm of air demons. Informed observers discount the importance of the aircraft carrier as regards Canada with the British navy and its swarm of Canadian coastal patrols in command of the seas.

J. M. Forbes, well known mining engineer, on the other hand, recently told a Montreal gathering that from long familiarity with the Labrador coast, he believed the many deep bays and fjords of Canada's long exposed northeastern coast presented favorable circumstances for enemy raids.



Canada's hinterland may become our new international frontier. In the new dimension of the air, the Dominion may be closer to the European stage than we used to think. In the above map, the reader is looking head-on at the North Pole.

A military informant points out against that argument the magnificent record of Canada's sea-going men last war, fishermen and traders of the coast whose ceaseless vigil in small craft over a phenomenally long coast line was not divulged until long afterward and has been poorly appreciated by most Canadians. "New perils find new defenses," he said, enigmatically suggesting that Canada's military leaders know how to fend off effective raids from aircraft carriers or other craft.

But it is the fastnesses of Canada's Northland, that continent almost uninhabited and untravelled that concerns Professor Loudon and many other Canadians. In the new dimension of the clouds, Canada finds herself very close indeed to the European stage she has hitherto thought blessedly remote.

Known the North

What, asks Professor Loudon and others, were German aircraft doing in northern Canada in recent years? The Nazi explanation was prompt and satisfactory: Making tests for a transatlantic airplane route; testing weather, etc.

But isn't information collected for such a purpose equally useful in peace or war? Maps, air photographs, perhaps inland flights into that region of solitude were quite conceivably on the Nazi programme. Myriad lakes offer tens of thousands of "emergency" landing fields in summer; millions of acres of scrubby tundra vast flying fields in winter.

Flying over the roof of the world is no longer a startling air feat. Not long ago Russian fliers did it and crossed down through Alberta as the short route to New York. Air navigation has become such a precise science that Sir Hubert Wilkin's flying across 1,700 miles came down as planned on a tiny speck of island, hardly a mile in size, too small to rate even a dot on the ordinary large size map. Such fights have emerged from the experimental, pioneering, heroic stage. And aren't the feats of war far more desperate than anything dared by the scientific peacetime pioneers?

Mines on the Frontier

Generally speaking, Canada's mining empire stretches across the northern boundary of inhabited Canada. The richest concentration of mines is the more than 100 mile chain of mines from Porcupine in the west to Lamaque in the east. Farther west are the rich clusters of mines in northwestern Ontario, Sudbury and Copper Cliff, the Pickle Lake, Red Lake, Little Long Lac areas. There is Flin Flon, an isolated and very rich contributor to the Empire cause. There are the mines of British Columbia, most of them on the eastern side of the Rockies or well down toward the U.S. border.

The accompanying map graphically portrays a new Canadian front, created by the new dimension of the air. The reader is looking head-on at the North Pole—from a box seat in the Pole Star as it were. The map carries a few representative distances.

As the French say: "It gives to think."

Charles A. Banks of Bulolo Runs Widespread Interests

The Pacific Northwest harbors headquarters of one of the world's most picturesque and spectacularly successful gold mining enterprises—Bulolo, of New Guinea. Up on the 10th floor of a Vancouver, B.C., office building soft-spoken Charles A. Banks and his staff direct the administration, not only of the great Bulolo but of other distant associated enterprises with intriguing names — Pato Consolidated and Asnazu Dredging of Colombia, Rutherglen Dumps of Australia and other mines.

When he is not at the Vancouver head office or roving the world, Charlie Banks makes his headquarters in San Francisco.

During the past month Bulolo and the other mining companies directed by Charlie Banks have held their annual meetings in Vancouver. The annual reports were consistently satisfactory, the only difficulty being in connection with getting funds out of Australia to pay dividends to shareholders living outside the Commonwealth. This is now being adjusted.

Six Dredges

Bulolo, operating six dredges in the highlands of New Guinea, mined 14,688,000 cubic yards of gravel for a recovery of 158,970 oz. of fine gold during the year ended May 31, the total amount realized being $5,595,571, with a net working profit of $3,847,085. Several million yards of gravel were developed during the year, and the reserves are estimated at 182 million cubic yards, which will later be handled by sluicing.

Two additional dredges have been provided for this year's operations. Construction of a new hydro-electric power plant to prevent recurrence of power shortage such as occurred last year is now under way. This will generate 2,800 h.p. and will be ready for operation next spring.

Here Before 1914

The story of Bulolo is really the story of Banks and his associate, William Addison Freeman, of Australia, who is chairman of the various companies directed from Vancouver head office. A New Zealander by birth, Banks was a mining engineer in British Columbia before the war, developing a small property near Greenwood. He went overseas with the Royal Engineers and served as a sapper lieutenant. He came out of the war temporarily crippled and without a job.

A few months later he was engineer in charge of B. C. Silver, adjacent to Premier Gold Mining Co. in the Portland Canal. When Premier struck it rich, B.C. Silver stock bounded upward and Banks's reputation was established.

This however, was only a preliminary step in Banks's career. When Australian interests became interested in a Cariboo dredging proposition, Banks was asked to make a report and this impressed the Australians so well that he became closely identified with their future operations and thus became acquainted with Freeman.

Was German Owned

It was Freeman who had toyed with the idea of developing the rich gold deposits of New Guinea. Before the war, Germany had owned the ground and it is reported that half a dozen companies had failed in attempting to make a success of the mines, located far back in the hills and accessible only by traversing malaria-infested swamps and jungles inhabited by headhunters. The overland route to the mines from the coast had been strewn with death and disaster.

Freeman and Banks conceived the daring idea of linking the highland gold fields with the coast by transport planes. Mining men and transportation experts scoffed, but the planes were put in service. Since the day in the early 30's when the big Junkers craft started to fly in from the coastal town of Lae over 6,000-ft. mountains to the mines 2,500 ft. above sea level, more than 30,000 tons of equipment and freight have been carried by air. More than 5,000 tons were carried last year alone.

The air route has been Bulolo's only form of transportation. The 3½-ton planes were specifically built to accommodate the massive steel parts needed for the dredges which were assembled at the site of operations. Each plane has a capacity of three and a half tons.

Designed Dredges

The dredges at Bulolo are of the company's own design and they have been erected by the company's own engineers.

Despite its distance from civilization, Bulolo has developed a model camp near the scene of its major operations, the main camp having attractive cottages and well-laid-out native quarters. There are 1,500 natives in the company's employ, most of them recruited from typical headhunting tribes of the wild interior. Four hundred white men are engaged in the more technical and executive posts. O. B. Hart is the general manager in charge of field operations.

Success of Bulolo has encouraged the company to go far afield for other properties. Pato Consolidated in Colombia has been one of its most imposing ventures, and four dredges operated there last year, with a recovery equivalent to more than $2 millions gold. Asnazu is another Colombia dredge enterprise, financed through Placer Development Ltd., the Banks-Freeman holding company, and last year its return was over $350,000.

The company is also interested in Australian mines, in American Placers Inc., incorporated in the state of Washington; in Universal Placer Mining Corp., with property in New Mexico, and in Placer Management Ltd., a small Canadian company.

Texas-Canadian Plans Merger

Shareholders' Meeting For Dec. 29 Asked to Approve Charter, Share Changes.

A special meeting of shareholders of Texas-Canadian Oil Corp. has been called for Dec. 29, in Nassau, Bahama Islands, to approve three major steps:—Changing the company's charter to a Delaware incorporation; issuance of one new $5 par share for each five shares now held; and merger of the company's assets with those of Maljamar Oil and Gas Corp., a Delaware company. Maljamar owns certain oil leases, wells and equipment with most of its holdings in New Mexico and East Texas.

The New Mexico holdings of Maljamar comprise an extensive acreage in a well proved oil field in Lea county, where the company has upward of 20 producing wells and on which it is estimated 75 additional wells can be drilled. It also has 14,985 shares out of 30,000 issued shares in Malco Refineries, which owns a well-equipped refinery at Artesia, New Mexico, connected with the Maljamar fields by pipe line.

Details of proposals to be submitted to shareholders are as follows:

Basis of Acquisition

Under the terms of the agreement which has been approved by directors of Texas-Canadian and Maljamar Oil and Gas, the new Delaware company will acquire the Maljamar company on the basis of 75 cents in cash plus 0.45 of a share of common stock in the new company for each Maljamar share now outstanding (at present there are 559,450 shares outstanding) This will require the payment of $419,857 and 251,652 shares of common stock. If the merger plan is approved and effected, the owners of the 15,015 shares of Malco Refineries, Inc. have agreed to sell these shares to the new company for $10 per share or $150,150.

The above agreement is also subject to approval of shareholders of Maljamar.

New Company Details

The proposed new company, if approved, will have an authorized capitalization of $2,500,000 divided into 500,000 shares of $5 par value and will exchange the existing Texas-Canadian stock for new stock on the basis of one new share for each five shares now held. This will require 440,000 shares of stock in the new company.

In a letter to shareholders it is pointed out that by making this change a certain amount can be saved in taxes and that, with all operations being carried on in the United States, it is logical that the company should be incorporated in the United States.

Bank Loan Arranged

In anticipation of the merger, Texas-Canadian directors have tentatively arranged a bank loan which will enable the company to meet the financial requirements of the merger. It is also contemplated that, after the merger, a public offering of $1,500,000 of preference shares of the new company will be made which will enable the company to pay off substantially all of its banking indebtedness.

CARYL DISTRIBUTION

Shareholders of Caryl Mining Corp. have approved distribution of the assets of the company and the later surrendering of the company's charter.

Holding of 125,000 Chesterville Larder Lake shares will be on the basis of one Chesterville share for each seven Caryl shares now held. A few Chesterville shares to remain over will be required together with cash on hand to wind up the company's affairs. Distribution of shares must await a discharge by the income tax authorities.

Howey Ore is Increased But Less Than Reported

Recent work at Howey Gold Mines has indicated additional ore which is expected to extend the length of the life of the mine four to six months, The Financial Post is informed. Reports have been current that the new ore would extend the length of life of the mine for a year, but this is not correct, it appears.

At the end of 1938, it was estimated ore would be sufficient to keep the mill running for two years more. Now it is expected to keep the mine going until summer, 1941. The ore extension has been pretty well outlined extending from the 1,300 to 1,000-ft. level. It does not represent a "new find" as suggested but has been known for some time and development of the section was only undertaken in recent months, The Financial Post is told.

Mining Enquiries

Uchi Gold Mines

Can you give me some information on results being obtained at Uchi Gold Mines now that milling operations are under way?

Improved results have been obtained in milling operations at Uchi Gold Mines in recent months. When the mill was first turned over, an unusual amount of low grade ore was taken from stock piles which affected average recovery. Production is now increasing, however, and operating profits are running about $40,000 monthly, or $480,000 per annum. Write-offs will probably total in the neighbourhood of $200,000 per annum and interest on the bond issue will absorb $60,000. This will leave around $220,000 as profit before taxes. The management anticipates a further improvement in results.

At the end of 1938 ore reserves were estimated at 500,000 tons averaging $10 per ton or 650,000 tons averaging $8 to $9 per ton. The larger tonnage figure would be sufficient to keep the mill running for over three years. Renewed development is stated to have been very satisfactory in recent weeks with the ore reserve position improved by perhaps as much as 30%.

Eldorado

I have been thinking of making an investment in Sachigo River. Can you give me some data on the company's operations?

Sachigo River Exploration Co. owns a producing gold property of 2,125 acres in the Sachigo River area of Ontario. No figures on earnings in 1939 are available, but net profits of the 7½ months of operation ended Dec. 31, 1938, amounted to $141,393, equal to $1.43 per share. Ore reserves at the end of 1938 were 10,571 tons, averaging 1.5 ounces of gold per ton. This would be sufficient for one year's milling operations.

During 1939 development at depth has continued with some encouragement in the way of new ore sources, after the main vein proved rather disappointing in initial work.

Sachigo River

Please give me the earnings record of Eldorado Gold Mines and a few other details on the company's operations.

While Eldorado Gold Mines has had an impressive record of increasing production during the past few years, net profit has increased only gradually, amounting to 8.7 cents a share in 1938, compared with 6.3 cents a share in 1937 and 4.2 cents a share in 1936. No official report on output for this year has been received, but it will likely prove larger than in 1938, since capacity was further increased.

As the company increases its output, the radium price seems to decline, so that anticipated profits are not fully realized. Subsidiary products, such as uranium, are becoming increasingly important and may prove a more stable source of revenue.

So far there has been little indication given out as to effect war will have on Eldorado. Reports have come from England of radium supplies being buried deep in the earth to prevent supplies from being scattered during bombing raids.

Perron Gold

What are earnings of Perron Gold Mines likely to run this year?

Perron Gold Mines is expected to show somewhat higher profits in 1939 than in 1938 when earnings of 16.6 cents per share were reported. While no official statement has been made, increase in production this year and the fact that the company has now written off all pre-production expense suggest that earnings might be as high as 25 cents a share.

The company has been very fortunate in obtaining gold ore indications in drilling to depth and a good increase in ore reserves should have been realized during this year. Last June it was reported that approximately 300,000 tons of ore grading better than average were indicated in the 32 vein alone. Ore reserves at the end of 1938 were 300,000 tons for all sources or about 2½ years requirements.

Sigma Mines

Can payment of dividends by Sigma be expected in the near future?

Sigma Mines must now be approaching the place where distribution of dividends can be commenced. Net profits for the current year are expected to exceed those for 1938 which were equal to 54 cents a share. At the end of 1938 the company had not retired all loans incurred in reaching production but by now all liabilities should be retired with working capital of approximately $500,000 on hand.

At the end of 1938 ore reserves were nearly equal to three years requirements. It is anticipated the company is now reaching the place where ore reserves might be expanded appreciably. Several new levels have been established at depth and exploration of these is just commencing.

Pamour Porcupine

What is the present situation at Pamour Porcupine?

After it appeared Pamour Porcupine had given up the thought of paying a dividend for the last half of 1939, directors met and declared a dividend of 4 cents a share compared with 8 cents paid on June 1, 1939, and an initial dividend of 12 cents on Nov. 1, 1938. Decline in the average grade of ore treated has resulted in a reduction of profits, which amounted to 7 cents a share in the six months ended June 30, 1939, compared with 27.9 cents for all 1938.

Sources close to the company say that profits are not likely to exceed 14 cents a share for 1939. Apparently another six months must elapse before there will be any real news from Pamour. What the news will be then is impossible to know. If a very large tonnage of low grade ore should be opened up, the management might possibly increase mill capacity to cut costs. The grade of ore now going through the mill is down to the average of ore reserves.

Mooshla Continues Hunt For Better Ore

Development is being continued at the property of Mooshla Gold Mines testing the theory that narrow high-grade veins emanate from deposits of greater magnitude, states Denison Denny, president, in the company's annual report.

Work is being financed as far as possible by shipments of high-grade ore to Noranda Mines. To the end of October, 1,728 tons of ore had been shipped averaging 0.92 oz. gold per ton. The net yield of 1,502.5 tons shipped in September and October averaging 0.91 oz., was estimated at $48,000.

An option on seven claims has been granted to MicMac Explorations, subsidiary of United States Smelting Refining and Mining Co., to May, 1941. If the option is exercised, $85,000 cash will be paid over in addition to $15,000 already received.

As at Aug. 31, 1939, current assets totalled $14,840 including $7,875 cash. Current liabilities were $15,605.

Hillcrest Coal Firm Merged

Consolidation With Mohawk Mines Made Effective—Shares Divided

From Our Own Correspondent

MONTREAL.—Hillcrest Collieries Ltd., in liquidation, has announced amalgamation with Mohawk Bituminous Mines Ltd., as a result of which the Hillcrest mines have been closed. No change has been made in the capital stock of Hillcrest Collieries.

The new company, Hillcrest Mohawk Collieries Ltd., has been incorporated in Alberta with a capital of $1¼ million including 110,000 non-voting, redeemable preferred shares of $1 par value; 570,000 class A common shares of $1 par value and an equal number of class B common shares of $1 par value.

According to the agreement all the preferred shares and the class A common shares go to Mohawk Bituminous Mines and the class B shares go to Hillcrest Collieries. The class A and B shares rank equally.

The agreement provides that the new company shall pay each year to the Hillcrest Co. $26,250, except when profits of the new company are less than $78,750, when the amount payable in any one year is reduced to one third of the actual profits, but the difference shall be paid when earnings of the new company are in excess of $78,750.

Hillcrest Collieries has also arrived at an agreement with its first mortgage bondholders extending the maturity date of the $325,000 of 5% bonds to be outstanding due Nov. 1, 1964.

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Liquor Prices Cut Ontario, Quebec

Reductions of from 10 to 50 cents a bottle in prices of liquors have been announced by the Quebec Liquor Commission. The Ontario Commission has also announced similar price reductions on domestic liquors. Beer and wine prices are unchanged.

The main reason given for the decrease is an "alarming increase in contraband traffic" since the prices were increased following the outbreak of war. Bootlegging is reported to have increased.

Another factor has been the sales resistance to the rise in prices. It is well known the public is buying less liquor due to the price increase. This, of course, affects revenue

Investors Syndicate To Change Contract

Investors Syndicate in Canada plans to alter its contract to conform with that being used by the organization in United States at a date to be announced later.

The new contract will provide for a guaranteed rate of 3%, plus extra credits, which correspond to participation in profits used in insurance policies. Present rate offered on contract from 15 to 25 years is 4%. On the new 3% contracts, it is stipulated that before any dividends can be paid on the preferred and common stock of the company contract holders must first receive ½ of 1%.

The U. S. modified contract has been in force in 1938 and 1939.

Canada's Film Plans

Programme Started to Mirror Nation to Canadians and the World at Large

From Our Own Correspondent

OTTAWA. — The National Film Board, headed by Hon. W. D. Euler, Minister of Trade and Commerce, is rapidly initiating its movie production programme to picture Canada to herself and to the world.

Half a dozen films are already in production and as many more are in the preparatory stage. Two films, completed about the time that war broke out, are being slightly altered to give them "a war angle." These films deal with youth and youth training. They will be ready for distribution early in the New Year.

Mr. Euler's enthusiasm for the documentary film has enabled the Film Board to make an ambitious start. The man actually in charge of the work, Film Commissioner John Grierson, is spending a few months in Canada to get the work under way. Mr. Grierson is a Scot with wide experience in film work both in the United States and the Old Country.

He will leave Ottawa for Australia in January to do there what he has done for Canada. He expects to come back to Canada for a few months before returning to England. His record in the production of documentary films is one of outstanding success.

March of Time Feature

Before the films of the Board get into the theatres, the Canadian public will have an advance view of the type of movie Mr. Grierson does with particular skill. This will be the March of Time feature, "Canada at War." Largely at the Board's suggestion, producers of March of Time features undertook a film on Canada. It is expected to be released in February. It is a safe bet that most Canadians will learn more about how their country went to war from this film than they learned by living through those first days of September.

The March of Time films are shown internationally in 11,000 theatres to an audience of some 40 million people. In terms of favorable, informing and stimulating publicity on Canada, nothing aproaching this has ever been achieved.

The term "documentary film" is defined by Mr. Grierson as "the dramatization of the door step." It is a synthesis of the travel film, the newsreel, and educational and propaganda films, with a touch of fiction often thrown in to add to dramatic and entertainment value. Generally speaking, there are no actors in a documentary film. People are filmed doing their daily tasks. If the film deals with workmen, you see real workmen. If it deals with fishermen, the shots are of real fishermen.

Film Board's Job

Simply put, the job of the National Film Board is to project Canada to herself and to other people; to bring Canadian problems to life so that people will understand them as well as if they were directly concerned.

Translated into a programme, the job becomes complex. Under Mr. Euler, the Canadian Film Board has divided the work into various sections. First comes what is called, "crossing gaps." Here the purpose is to make films which will introduce the farmer to the city man, the east to the west, the Maritimes to the other sections of the country, the community at large to the school children.

Half a dozen films of this group are already in hand and some of them are in production. There will be films of the east coast, of Canada's river and lake country, of the prairies, the mountain country, the Pacific coast and the Arctic—all done in terms of the people who live there.

Shown abroad, such films would help other people to an understanding of the variety and character of Canadian life.

Economic Films

The second heading has to do with economics. Three films are now in hand, on wheat, timber and mining. Here the purpose is to stress the battle against nature, the way success has come through organization and co-operation.

The third heading deals with special problems and two films have been outlined. The first may well be the most important of all—North American relationships and the undefended frontier. The lesson which such a film will have, not only for North Americans, but for other people, is obvious.

The second film will deal with the Canadian people—where they came from, the way they have accommodated themselves to the Canadian environment, to British institutions. The purpose is to demonstrate that Canada is producing a distinctive people, a Canadian type.

Later on, the board intends to do a film on the Arctic. This will be a study in stewardship. It will show how the northland has been opened up.

Apart from actual production, the Board, with the co-operation of the film industry, is doing all it can to encourage newsreel presentation of Canada. And it is mindful, as well, of encouraging in every possible way the work of editorial film producers, such as the March of Time.

Seafoods to Establish Plant in Newfoundland

The Newfoundland Commission of Government has formally entered into an agreement with General Seafoods Ltd. of Boston for establishment of a fresh fish processing plant on the Southwest Coast of Newfoundland.

As a result of the agreement, the Government looks for expansion in Newfoundland's frozen fish trade, especially with United States.

In the past it has not been possible for Newfoundland fish to compete in the United States market because of the high tariff. However, products of the General Seafoods plant will enter the United States free of duty and will thus enjoy a favorable competitive position.

According to recent rulings of U. S. authorities any fish that is taken and processed by a U. S. company on the treaty coast of Newfoundland is regarded for purposes of U. S. customs, as though it were processed in U. S. waters. In other words, there is no import duty.

To Erect Plant

Under the agreement, the Government undertakes to erect and lease to General Seafoods a plant suitable for the preparation, packaging, freezing and storing of fish on the section of the treaty coast between LaPoile and Ramea. The Government expenditure is to be limited to $200,000.

The plant will be equipped by the company and this will require an investment greatly in excess of the Government contribution. It is to be capable of freezing and processing 30 million pounds of fish annually.

Authority is granted the company to use beam trawlers, but the company must take from fishermen employed by it or by purchases from Newfoundland fishermen a quantity of fish equal to that landed by its trawlers.

A certain amount of criticism to the arrangement has arisen on the grounds that market in the U. S. for fresh salt water fish will be lost. In the central area of the U. S., west of Buffalo to Chicago, Nova Scotia finds a profitable outlet for its fresh fish, and it is claimed that the U. S. organization will be able to cut into this market.

Critics of the scheme claim that the U. S. company is offered advantages, such as free entry of its products to the U. S. and concessions on the erection of a plant and the use of beam trawlers that Canadian and Newfoundland competitors do not enjoy.

NEW DIRECTORS

Chartered Trust and Executor Co. has elected two new directors. Stewart G. Bennett (above) is vice-president and general manager of Beardmore & Co. N. J. McLean, the other new director, is a director and general manager of Canada Packers Ltd.

Ontario Woods Work Higher

During the present season, production of sawlog lumber in Ontario will be about the same as last year, but pulpwood and ties are likely to approach the 1937-38 level, according to information obtained from the Forestry Branch, Department of Lands and Forests. Employment in the Ontario bush this year will be around 24,000 men.

During the 1937-38 operating season, some 275 million feet, log scale, was cut; slightly less than 2 million cords of pulpwood and some 700,000 railway ties. In bush operations that year 29,000 men were employed.

Trade in China Hopes Studied

Former German Export Business Surveyed to Aid Canadian Industries

From Our Own Correspondent

OTTAWA.—While a special survey was made of Germany's exports to South American countries, as a market which Canadian exporters might easily capture, the whole field of Germany's export trade will be combed to help Canadian industries to expand their business.

The report on the South American countries was analyzed in The Financial Post last week.

No further general analyses have been completed on other areas of Germany's now blockaded exports, but a short study of China has been issued by the Trade and Commerce Department. This study shows that, translated into Canadian currency, Germany's exports to China have amounted to about $36 millions a year. These exports covered a wide range of goods, including chemical and pharmaceutical products, dyes, pigments, paints and varnishes; metals and ores; paper and wood pulp; machinery and tools; arms and munitions; photographic plates, paper and films; cameras, lenses, etc.

Chance for Canada

There is no doubt, in the view of the department's trade experts, that Canada's opportunities have been improved by the British blockade. The report says:

"The one commodity from Canada which appears to be most favorably affected by the present situation is paper—newsprint, printing papers, kraft, and other paper items. Germany, by virtue of her export subsidy arrangements, had captured a large share of the paper trade of China, and the price of newsprint had been forced down to levels that were unattractive to Canadian producers.

"However, the war in Europe has completely altered that situation and the outlook is now more attractive."

DIRECTS C. I. L.

Geo. W. Huggett, first vice-president of Canadian Industries Ltd., who is assuming active charge of the company during A. B. Purvis's absence as head of the British-French Supply Board in the United States.

Radio Output Up Value Down

Radio receiving sets manufactured in Canada in the months of July, August, and Sept., 1939, were higher in number but lower in value than for the corresponding period of 1938, according to Department of Trade and Commerce figures.

Manufacturers' sales also rose this year in number but declined in value. It is stated that increases were shown by all provinces. Apparently introduction within the past year of low-priced receiving sets has resulted in dollar value failing to keep pace with number of sets sold.

Inventories of receiving sets in the hands of manufacturers totalled 58,823 on Sept. 30, 1939, against 66,643 at June 30 and 81,867 on Sept. 30, 1938.

Comparative figures are given below.

Production		
3 Mos. Ended Sept. 30:	1939	1938
Sets, No.	130,952	103,188
Value	$3,183,573	$3,932,227
9 Mos. Ended Sept. 30:		
Sets	232,752	170,021
Value	$5,250,806	$6,020,074
Manufacturers' Sales		
3 Mos. Ended Sept. 30:	1939	1938
Sets	139,448	92,617
Value	$6,963,227	$7,478,539
9 Mos. Ended Sept. 30:		
Sets	232,416	156,402
Value	$12,415,164	$12,345,181

Duplicate Outlay Cut by Ottawa

Surplus Equipment and Personnel Being Used on War Work

From Our Own Correspondent

OTTAWA.—By transferring surplus equipment from certain Government departments to other departments which need it, because of expansion of work, the comptroller's branch of the Finance Department has cut expenditures this year by approximately $300,000.

In its present intensified form, this salvage work is new at Ottawa and may expand to embrace points distant from Ottawa. By transferring typewriters, adding machines and other office equipment from departments that no longer need them to departments that do, the expenditures for new equipment can be substantially reduced.

Before March 31 next some $300,000 of equipment will have been transferred and the treasury will have been saved this amount in new purchases.

Curtail Personnel

As with office equipment, so with the civil servants. Every effort is being made to transfer surplus staff out of departments with a declining volume of business into those that need more help.

In the last war the civil service practically doubled in size. Nobody seems to have thought of creating a pool of surplus workers to staff war services. For instance, some 1,000 persons were hired in the last war for the paymaster branches of the fighting forces. To date in this war nearly all this work is being done by surplus employees from other departments.

Standard Steel Attains Higher Business Level

A good increase in demand for the products of Standard Steel Construction Co. has been noted since the outbreak of war. Company officials some time ago told The Financial Post that operations were making a favorable comparison with those of 1938 but this has been accelerated since the war began. As backlog of orders on hand is at a high level, the current good scale of operations should continue into the new year.

Standard Steel Construction, a subsidiary of United Steel Corp., completed payment of arrears on its preferred shares in October, 1938. With regular payments since ther and a good earnings position, it is possible that consideration will be given to a dividend on the common, practically all of which is held by United Steel.

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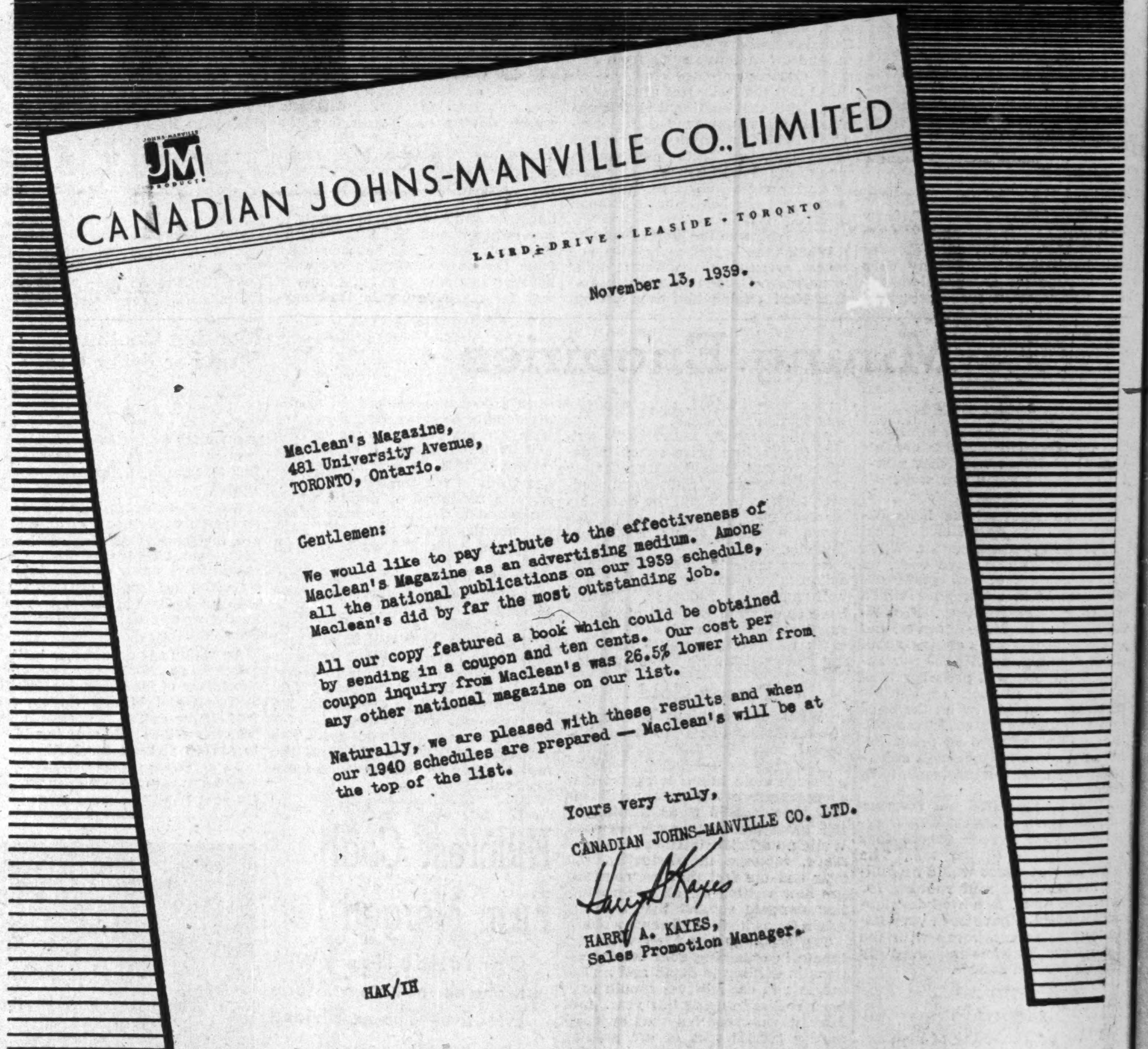
Nfld. Codfish Catch Down From Last Year

Newfoundland's codfish catch this year is slightly smaller than the 1938 catch. According to the statistical division of the Newfoundland Fisheries Board, the catch in the 11 months ended Nov. 30 totalled 1,044,922 quintals. This compares with 1,147,125 quintals in 1938 and 943,693 quintals in 1937.

Of the total, the inshore fishery accounted for 493,183 quintals.



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